

Change (owner)

Please print or type with ELITE type (12 characters per inch) in the unshaded areas only

Form Approved, OMB No. 2050-0034 Expires 12/31/02  
GSA No. 0248-EPA-OT

4/1

<small>Please refer to Section V. Line-by-Line Instructions for Completing EPA Form 8700-12 before completing this form. The information requested here is required by law (Section 3010 of the Resource Conservation and Recovery Act).</small>		<b>Notification of Regulated Waste Activity</b> <b>EPA</b> United States Environmental Protection Agency		<b>Date Received</b> (For Official Use Only) 00 MAR 14 PM 3:40	
<b>I. Installation's EPA ID Number (Mark 'X' in the appropriate box)</b>					
<input checked="" type="checkbox"/> A. Initial Notification		<input type="checkbox"/> B. Subsequent Notification (Complete item C)		<b>C. Installation's EPA ID Number</b> NJ D 058117979	
<b>II. Name of Installation (Include company and specific site name)</b> G E N T E M P O R E A L T Y C O . I N C .					
<b>III. Location of Installation (Physical address not P.O. Box or Route Number)</b>					
Street 7 1 4 D I V I S I O N S T R E E T					
Street (Continued)					
City or Town E L I Z A B E T H				State N J	Zip Code 0 7 2 0 1 -
County Code	County Name U N I O N				
<b>IV. Installation Mailing Address (See instructions)</b>					
Street or P.O. Box 6 7 4 S U M M I T R O A D					
City or Town U N I O N				State N J	Zip Code 0 7 0 8 3 -
<b>V. Installation Contact (Person to be contacted regarding waste activities at site)</b>					
Name (Last) G E N T E M P O			Name (First) F R A N K J .		
Job Title G E N E R A L P A R T N E R			Phone Number (Area Code and Number) 9 0 8 - 3 5 3 - 8 3 9 5		
<b>VI. Installation Contact Address (See instructions)</b>					
A. Contact Address Location Mailing <input type="checkbox"/> <input checked="" type="checkbox"/>		B. Street or P.O. Box			
City or Town		State		Zip Code	
				-	
<b>VII. Ownership (See instructions)</b>					
<b>A. Name of Installation's Legal Owner</b> G E N T E M P O R E A L T Y C O . I N C .					
Street, P.O. Box, or Route Number 6 7 4 S U M M I T R O A D					
City or Town U N I O N		State N J		Zip Code 0 7 0 8 3 -	
Phone Number (Area Code and Number) 9 0 8 - 3 5 3 - 8 3 9 5		B. Land Type P	C. Owner Type P	D. Change of Owner Indicator Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
				Date Changed Month Day Year	

gtr  
Sent  
3/24/02

Send will call back  
3/24/00

Address verified us post office



ID - For Official Use Only

## VIII. Type of Regulated Waste Activity (Mark 'X' in the appropriate boxes. Refer to Instructions)

## A. Hazardous Waste Activities

1. ☒ Generator (See Instructions)  
a. Greater than 1000kg/mo (2,200 lbs.)  
☐ b. 100 to 1000 kg/mo (220-2,200 lbs.)  
☐ c. Less than 100 kg/mo (220 lbs.)  
2. ☐ Transporter (Indicate Mode in boxes 1-5 below)  
☐ a. For own waste only  
☐ b. For commercial purposes  
Mode of Transportation  
☐ 1. Air  
☐ 2. Rail  
☐ 3. Highway  
☐ 4. Water  
☐ 5. Other - specify \_\_\_\_\_
- ☐ 3. Treater, Storer, Disposer (at installation) Note: A permit is required for this activity, see instructions.  
4. ☐ Exempt Boiler and/or Industrial Furnace  
☐ a. Smelting, Melting, and Refining Furnace Exemption  
☐ b. Small Quantity On-Site Burner Exemption  
☐ 5. Underground Injection Control

## C. Used Oil Management Activities

1. ☐ Used Oil Transporter/Transfer Facility - Indicate Type(s) of Activity(ies)  
☐ a. Transporter  
☐ b. Transfer Facility  
2. ☐ Used Oil Processor/Re-refiner - Indicate Type(s) of Activity(ies)  
☐ a. Processor  
☐ b. Re-refiner  
3. ☐ Off-Specification Used Oil Burner  
4. ☐ Used Oil Fuel Marketer  
☐ a. Marketer Who Directs Shipment of Off-Specification Used Oil to Used Oil Burner  
☐ b. Marketer Who First Claims the Used Oil Meets the Specifications

## B. Universal Waste Activity

- ☐ Large Quantity Handler of Universal Waste

## IX. Description of Hazardous Wastes (Use additional sheets if necessary)

A. Listed Hazardous Wastes. (See 40 CFR 261.31 - 33; See instructions if you need to list more than 12 waste codes.)

1	2	3	4	5	6
7	8	9	10	11	12

B. Characteristics of Nonlisted Hazardous Wastes. (Mark 'X' in the boxes corresponding to the characteristics of nonlisted hazardous wastes your installation handles; See 40 CFR Parts 261.20 - 261.24; See instructions if you need to list more than 4 toxicity characteristic waste codes.)

1. Ignitable (D001)	2. Corrosive (D002)	3. Reactive (D003)	4. Toxicity Characteristic	(List specific EPA hazardous waste number(s) for the Toxicity Characteristic contaminant(s))			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1	2	3	4
				D 0 0 8			

C. Other Wastes. (State-regulated or other wastes requiring a handler to have an i.d. number; See instructions.)

1	2	3	4	5	6
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## X. Certification

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Signature

Name and Official Title (Type or print)

Date Signed

XI. Comments

ONE TIME CLEANUP OF CONTAMINATED SOILS

Note: Mail completed form to the appropriate EPA Regional or State Office. (See Section IV of the booklet for addresses.)



# PRECISION



PRECISION ENVIRONMENTAL & REMEDIATION SERVICES, INC.

U.S. EPA  
AGENCY RO II  
00 MAR 14 PM 3:40  
HAZARDOUS & SOLID WASTE  
PROGRAMS BRANCH

March 07, 2000

United States Environmental Planning & Protection  
RCIA  
25th Floor  
New York, New York 10007

Attention: Mr.. Jack Hoyt  
RE: Gentempo Realty Co., Inc.  
714 Division Street  
Elizabeth, New Jersey 07201  
Union

Dear Mr.. Hoyt:

Please find enclosed the Notification of Regulated Waste Activity Application for the aforementioned property required by your office.

If you have any questions or if I could be of any assistance please contact me at (973) 344-3224. Otherwise, please FAX the Environmental Protection Agencies Identification number to Precision Environmental & Remediation Services at (973) 344-3460.

Thank you for your assistance.

Sincerely,



Linda Dean  
Sales Associate

LD:prg

Enclosures

CORPORATE HEADQUARTERS  
PO Box 472  
115 Jacobus Avenue  
Kearny, New Jersey 07032  
(973) 344-3226 FAX (973) 344-3460



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*****
*                RCRIS: Notification Add/Update Screen 2                *
*****
*EPA ID: NJD058117979      Other ID:                                Merge Send: Y      *
*Date Received(MMDDYY): 082080      Source( N/E/S ): N Non-Notifier Flag:      *
*Date Acknowledged (MMDDYYYY): 09151986      Send Acknowledgement:      *
*Name of Installation: BROWNING - FERRIS IND      *
*                Installation Location Address      *
*Streets: 714 DIVISION ST      *
*City: ELIZABETH      State: NJ      Zip: 07207      *
*County Code: 039      County Name: UNION      *
* Installation Mailing Address (Type 'SAME' if same as Above)      *
*Streets: 714 DIVISION ST - PO BOX 508      *
*City: ELIZABETH      State: NJ      Zip: 07207      *
*                Contact Information      *
* Last Name      First Name      Title      Phone      Address(M,L,O) *
* LEONARDIS      PETER      9083522222      L      *
*Streets: 714 DIVISION ST      *
*City: ELIZABETH      State: NJ      Zip: 07207      *
*Land Type:      *
*****
* Enter-Continue      F3 - Exit      F5 - Prev Screen *
*****

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Gen-2/R

WC = DOO0 thru DO17, F001 thru F012

Moved ago



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*****
*                               RCRIS: Notification Add/Update Screen 3                               *
*****
* EPA ID:      NJD058117979   Other ID:                               Source:  N                               *
*
* Owner Sequence Number:      1                                       *
* Ownership:   F J & R E GENTEMPO                                     Type of Owner:  P   *
*
*                               Address of Owner                               *
*
*      Street: PO BOX 508                                           *
*      City:   ELIZABETH                                           State: NJ   Zip Code  07207   *
*      Phone:  9083522222                                           *
*
* Current/Previous Indicator:  CO   Change Date(MMDDYY):           *
*
*
*****
* Enter-Continue      F3-Exit      F4-Exit Group Process      F5-Curr. Owner *
* F6-Prev. Owner      F8-Help      F9-First                    F10-Next      *
*****
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## BROWNING-FERRIS INDUSTRIES

P.O. BOX 3151 • HOUSTON, TEXAS 77001 • 713/870-8100

July 14, 1982

U.S. Environmental Protection Agency  
Region II  
Helen S. Beggan, Chief  
Grants Administration Branch  
26 Federal Plaza  
New York, New York 10007

GRANTS ADMINISTRATION  
REGION II  
JUL 26 12 21 PM '82  
ENVIRONMENTAL PROTECTION  
AGENCY  
NEW YORK, NEW YORK 10007

Attention: RCRA Financial Requirements

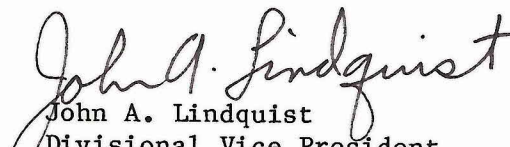
Re: Submission of Liability Coverages for Sudden Accidental Occurrences Arising  
From Hazardous Waste Management Facilities

Dear Ms. Beggan:

In accordance with regulations promulgated pursuant to the Resource Conservation and Recovery Act requiring that owners or operators of hazardous waste management facilities demonstrate liability coverage for bodily injury and property damage to third parties resulting from facility operations (40 CFR Part 264, subpart H, 1/12/81; rev. 4/16/82), hereby submitted is a Hazardous Waste Facility Endorsement evidencing coverage under Browning-Ferris Industries Comprehensive General Liability policy with limits of liability of \$500,000 and a Hazardous Waste Facility Certificate of Liability Insurance evidencing coverage under Browning-Ferris Industries Umbrella Liability policy with limits of \$5,000,000 on behalf of the hazardous waste management facilities indicated on the enclosed schedule.

If you require additional information or have questions regarding the attached endorsements, please contact either the undersigned or Ms. Barbara Little at P.O. Box 3151, Houston, Texas 77001, telephone (713) 870-7830.

Sincerely yours,

  
John A. Lindquist  
Divisional Vice President  
Risk Management/Loss Control

JAL:dkh

Attachments



HAZARDOUS WASTE FACILITY  
CERTIFICATE OF LIABILITY INSURANCE

1. The London Underwriters (the "Insurer"), of London, England hereby certifies that it has issued liability insurance covering bodily injury and property damage to Browning-Ferris Industries, Inc. ("the Insured"), of P.O. Box 3151, Houston, Texas 77001 in connection with the Insured's obligation to demonstrate financial responsibility under 40 CFR 264.147 or 265.147. The coverage applies at each facility identified on the attached schedule for sudden accidental occurrences. The limits of liability are \$5,000,000 each occurrence, exclusive of legal defense costs. The coverage is provided under policy number 020062000, issued on September 30, 1982.

2. The Insurer further certifies the following with respect to the insurance described in Paragraph 1:

(a) Bankruptcy or insolvency of the Insured shall not relieve the Insurer of its obligations under the policy.


(b) The Insurer is liable for the payment of amounts within any deductible applicable to the policy, with a right of reimbursement by the insured for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated as specified in 40 CFR 264.147(f) or 265.147(f).

(c) Whenever requested by a Regional Administrator of the U.S. Environmental Protection Agency (EPA), the Insurer agrees to furnish to the Regional Administrator a signed duplicate original of the policy and all endorsements.

(d) Cancellation of the insurance, whether by the Insurer or the Insured, will be effective only upon written notice and only after the expiration of sixty (60) days after a copy of such written notice is received by the Regional Administrators of the EPA Regions in which the facilities are located.

(e) Any other termination of the insurance will be effective only upon written notice and only after the expiration of thirty (30) days after a copy of such written notice is received by the Regional Administrators of the EPA Regions in which the facilities are located.

I hereby certify that the wording of this instrument is identical to the wording specified in 40 CFR 264.151(j) as such regulation was constituted on the date first above written, and that the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.

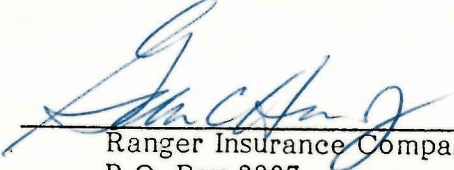
  
\_\_\_\_\_  
Frank Pezzolla  
Authorized Representative  
Fred S. James & Co. of Georgia, Inc.  
400 Fulton Federal Building  
Atlanta, Georgia 30335

**HAZARDOUS WASTE FACILITY  
LIABILITY ENDORSEMENT**

1. This endorsement certifies that the policy to which the endorsement is attached provides liability insurance covering bodily injury and property damage in connection with the Insured's obligation to demonstrate financial responsibility under 40 CFR 264.147 or 265.147. The coverage applies at each facility identified on the attached schedule for sudden accidental occurrences. The limits of liability are \$500,000 each occurrence and \$500,000 annual aggregate, exclusive of legal defense costs.
2. The insurance afforded with respect to such occurrences is subject to all of the terms and conditions of the policy; provided, however, that any provisions of the policy inconsistent with subsections (a) through (e) of this Paragraph 2 are hereby amended to conform with subsections (a) through (e):
  - (a) Bankruptcy or insolvency of the Insured shall not relieve the Insurer of its obligations under the policy to which this endorsement is attached.
  - (b) The Insurer is liable for the payment of amounts within any deductible applicable to the policy, with a right of reimbursement by the Insured for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated as specified in 40 CFR 264.147(f) or 265.147(f).
  - (c) Whenever requested by a Regional Administrator of the U.S. Environmental Protection Agency (EPA), the Insurer agrees to furnish to the Regional Administrator, a signed duplicate original of the policy and all endorsements.
  - (d) Cancellation of this endorsement, whether by the Insurer or the insured, will be effective only upon written notice and only after the expiration of sixty (60) days after a copy of such written notice is received by the Regional Administrators of the EPA Regions in which the facilities are located.
  - (e) Any other termination of this endorsement will be effective only upon written notice and only after the expiration of thirty (30) days after a copy of such written notice is received by the Regional Administrators of the EPA Regions in which the facilities are located.

Attached to and forming part of Policy No. CGL528108 issued by Ranger Insurance Company (herein called the "Insurer"), of P.O. Box 2807, Houston, Texas 77001, to Browning-Ferris Industries, Inc. et al. (herein called the "Insured"), of P.O. Box 3151, Houston, Texas 77001, this 15th day of July, 1982. The effective date of said policy is September 30, 1981.

I certify that the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more states.

  
\_\_\_\_\_  
Ranger Insurance Company  
P.O. Box 2807  
Houston, Texas 77001



ATTACHMENT TO  
HAZARDOUS WASTE FACILITY  
LIABILITY ENDORSEMENT

Region II

SCHEDULE OF COVERED FACILITIES

<u>NAME OF FACILITY</u>	<u>LOCATION</u>	<u>EPA IDENTIFICATION NO.</u>
BFI OF Elizabeth, N.J., Inc. P.O. Box 508 Elizabeth, New Jersey 07207	714 Division St. Elizabeth, NJ	NJD058117979
BFI Chemical Services, Inc. P.O. Drawer C Pedricktown, New Jersey 08067	Porcupine Road Pedricktown, NJ	NJT000028415

GRANTS  
JAN 6 1 1984  
ENV  
NJD058 117979

ARTHUR ANDERSEN & Co.

FEDERAL ENVIRONMENTAL PROTECTION  
AGENCY, REGION 11  
NEW YORK, N.Y.

89 OCT 15 PM 2:46

SUITE 1300  
711 LOUISIANA  
HOUSTON, TEXAS 77002  
(713) 237-2323

December 28, 1983

To Browning-Ferris Industries, Inc.:

We have examined the consolidated balance sheet of Browning-Ferris Industries, Inc. and subsidiaries (the Company) as of September 30, 1983, and the related statements of income, retained earnings and capital stock and additional paid-in capital for the year then ended and have expressed an unqualified opinion on those statements in our report dated December 7, 1983. We have not performed any auditing procedures since that date. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

At your request, we have read items 5, 6 and 9 shown below which were prepared by the Company to demonstrate both liability coverage and assurance of closure care as required by U.S. Environmental Protection Agency regulations. As further required by such regulations, we have compared the following data to the consolidated financial statements described above.

- |  |               |
|--|---------------|
| 5. Tangible net worth. The closure/post-closure cost estimate to the extent they have been accrued are included in the liabilities of Browning-Ferris Industries, Inc., but have not been included in this amount. | \$352,279,000 |
| 6. Total assets in U.S.  | \$699,574,000 |
| 9. Are at least 90% of firm's assets located in the U.S.?  | No            |

In connection with this procedure, no matters came to our attention which caused us to believe that the specified data should be adjusted.



ARTHUR ANDERSEN & Co.

Browning-Ferris  
Industries, Inc.

-2-

December 28, 1983

This report relates only to the data specified above and does not extend to the consolidated financial statements of the Company, taken as a whole, for the year ended September 30, 1983. It is furnished solely for the use of the Company and the Company's distribution to the appropriate regulatory agency and is not to be used for any other purpose.

*Arthur Andersen & Co.*



## BROWNING-FERRIS INDUSTRIES

P.O. BOX 3151 • HOUSTON, TEXAS 77001 • 713/870-8100

GRANTS ADMINISTRATION  
ENVIRONMENTAL  
REGION II

JAN 6 1 56 AM '84

ENVIRONMENTAL  
NEW YORK

Barbara D. Little  
Environmental Counsel

December 30, 1983

U.S. Environmental Protection Agency  
Region II  
Helen S. Beggun, Chief  
Grants Administration Branch  
Attn: Joe Cvinar

John Jiminez  
Permits Administration Branch  
26 Federal Plaza  
New York, New York 10007

Re: Submission of Updated Documents to Demonstrate Financial Test and Corporate Guarantee for Closure/Post-Closure Costs for Hazardous Waste Management Facilities as Required by Subpart H of 40 CFR Parts 264 and 265

Dear Ms. Beggun and Mr. Jiminez:

Please find enclosed the following documents filed on behalf of Browning-Ferris Industries, Inc. to demonstrate compliance with the financial test for assuring closure/post-closure costs for hazardous waste management facilities owned and/or operated by subsidiaries of Browning-Ferris Industries, Inc. These documents provide the updated information for fiscal year 1983 submitted in accordance with 40 CFR §264.143(e)(5) and §265.143(e)(5) and corresponding provisions of State law:

1. A letter signed by George R. Farris, Executive Vice-President and Chief Financial Officer of Browning-Ferris Industries, Inc., and worded as specified in 40 CFR §264.151(f), and
2. A Corporate Guarantee for Closure/Post Closure care by Browning-Ferris Industries, Inc. for subsidiaries owning and/or operating hazardous waste management facilities, and
3. The report of Arthur Andersen & Co. independent certified public accountants on examination of the financial statements of Browning-Ferris Industries, Inc. for the fiscal year ending September 30, 1983, as contained in the enclosed copy of the 1983 Form 10-K for Browning-Ferris Industries, Inc., as filed with the Securities and Exchange Commission, and
4. A special report from Arthur Andersen & Co. to Browning-Ferris Industries, Inc. comparing data in the letter from the Chief Financial Officer as having been derived from the independently audited, year-end financial statements for the latest fiscal year.

Please note in item 5, on page 6 of the letter of the Chief Financial Officer, that the RCRA regulations, and equivalent State regulations, provide that to the extent that closure/post closure cost estimates have been accrued, they may be included in the tangible net worth figure. Although Browning-Ferris Industries, Inc. does accrue such amounts in liabilities, these amounts have not been added to the tangible net worth figure. Therefore, the amount in item 5 is conservative. It is probable that in subsequent reports the total closure/post closure costs as accrued liabilities will be included in tangible net worth.

Although the States in which this (these) facility (facilities) is (are) located may have authorization for Phase I and/or Phase II of the RCRA program, we are providing notification to the Regional EPA office as well as the State(s) with the designated authority.

Please note that by letter dated December 12, 1983 the New Jersey Department of Environmental Protection, which has been granted Phase I Interim authorization, certified the BFI of Elizabeth, New Jersey facility (W0058117979) as properly closed with no hazardous waste remaining in place. Therefore the financial responsibility requirements for the facility will be deleted from subsequent reports.

If you have any questions concerning any of the above documents, please contact me at (713) 870-7010.

Sincerely,



Barbara D. Little  
Environmental Counsel

BDL/tr

Enclosure

cc: Dr. Marwan M. Sadat, P.E., Director  
Division of Waste Management  
32 E. Hanover St., CN02  
Trenton, N.J. 08625

Louis De La Cruz  
Environmental Quality Board  
Office of the Governor  
P.O. Box 11488  
San Juan, Puerto Rico 00910





## BROWNING-FERRIS INDUSTRIES

P O BOX 3151 • HOUSTON, TEXAS 77253 • 713/870-8100

December 30, 1983

Jacqueline E. Schaefer  
Regional Administrator  
U.S. EPA Region II  
26 Federal Plaza  
New York, New York 10007

Re: Financial Test to Demonstrate Financial Assurance for Closure/Post-Closure Costs

Dear Ms. Schaefer:

I am the Chief Financial Officer of Browning-Ferris Industries, Inc. (hereinafter, BFI), a Delaware corporation, 14701 St. Mary's, Houston, Harris County, Texas 77079. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR, Parts 264 and 265.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

None

2. This firm guarantees, through the Corporate Guarantee specified in Subpart H of 40 CFR Parts 264 and 265, (see attached "Corporate Guarantee for Closure or Post-Closure Care"), the closure or post-closure care of the following facilities owned or operated by the following list of independent operating subsidiaries which are wholly-owned by BFI:

CECOS International, Inc., a New York corporation, 2321 Kenmore Avenue, Buffalo, New York;

Browning-Ferris Industries of Elizabeth, N.J., Inc., a New Jersey corporation, P.O. Box 508, Elizabeth, N.J., (referred to herein as BFI of Elizabeth, N.J., Inc.), a wholly-owned subsidiary of Browning-Ferris Industries of New Jersey, Inc., a New Jersey corporation, 1075 Central Avenue, Clark, New Jersey, a wholly-owned subsidiary of BFI;

0747-C

CORPORATE OFFICES, ASHFORD PLACE • 14701 ST. MARY'S STREET • HOUSTON, TEXAS 77079 • TELEX 794592

Browning-Ferris Industries Chemical Services, Inc., a Nevada corporation, P.O. Box 3151, Houston, Texas (referred to herein as BFI Chemical Services, Inc.);

Browning-Ferris Industries of Illinois, Inc., a Delaware corporation, 1827 Walden Office Square, Schaumburg, Illinois (referred to herein as BFI of Illinois, Inc.);

Browning-Ferris Industries of Ohio, Inc., a Delaware corporation, 33 N. Wickliffe Circle, Youngstown, Ohio (referred to herein as BFI of Ohio, Inc.);

Browning-Ferris, Inc., a Maryland corporation, P.O. Box 8733, BWI Airport, Maryland;

Browning-Ferris Industries of Kansas City, Inc., a Missouri corporation, 3150 North 7th, Kansas City, Kansas (referred to herein as BFI of Kansas City);

Highway 36 Land Development Company, a Colorado corporation, 5590 East 56th Ave., Commerce City, Colorado.

The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility owned or operated by the foregoing subsidiaries. The cost estimates have been adjusted for inflation as of August 1, 1983 in accordance with 40 CFR \$265.142(c).

Facility Name and Address	EPA Identification Number	Estimated Closure Costs	Estimated Post Closure Costs (30 Years)
CECOS International, Inc. P.O. Box 1709 Ponce, Puerto Rico 00731 <u>Location:</u> #500 Municipal Road, La Cotorra Canas Ward Ponce, Puerto Rico 00731	PRT000010231	\$ 1,572,000	\$ 328,475
BFI of Elizabeth, N.J., Inc. P. O. Box 508 Elizabeth, N.J. 07207 <u>Location:</u> 714 Division St. Elizabeth, N.J.	NJ0058117979	\$ 13,520	Not applicable No hazardous waste to remain in place after closure

On December 12, 1983, the New Jersey Department of Environmental Protection certified the Elizabeth, New Jersey facility (NJ0058117979) as properly closed; financial responsibility will be terminated.

CECOS International, Inc., Pine Avenue and 56th St., Niagara Falls, New York financial responsibility is met by trust fund and surety bonds under State of New York requirements which have been deemed substantially equivalent to federal requirements.

BFI Chemical Services, Inc. P.O. Box 6400 Charleston, W.Va. 25302 <u>Location:</u> 2933 Sissonville Drive Charleston, W.Va. 25312	WVD063468342	\$ 12,480	Not applicable No hazardous waste to remain in place after closure
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<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
CECOS International, Inc. 4879 Spring Grove Avenue Cincinnati, Ohio 45232	OHD000816629	\$ 207,420	Not applicable No hazardous waste to remain in place after closure
CECOS International, Inc. 5092 Aber Road Williamsburg, Ohio 45175	OHD087433744	\$ 564,900	\$ 1,549,860
Browning-Ferris Industries of Ohio, Inc. 530 Glenwood Avenue P.O. Box 2907 Youngstown, Ohio 44511 <u>Location:</u> 201 S. Pleasant Drive East Palestine, Ohio 44413	OHD980795264	\$ 1,400,090	\$ 221,175
Browning-Ferris Industries of Ohio, Inc. P.O. Box 2907 Youngstown, Ohio 49511 <u>Location:</u> 1901 Pine Avenue Warren, Ohio 44481	OHD980795298	\$ 627,695	Not applicable No hazardous waste to remain in place after closure

(Note: Ohio received Phase I, Int. Auth. July 15, 1983; State has not promulgated financial responsibility requirements, but is expected to adopt 40 CFR Subpart H.)

BFI of Kansas City P.O. Box 283 Missouri City, MO 64072 <u>Location:</u> Stillhouse Road Missouri City, MO 64072	MOD000624452	\$ 547,330	Not applicable No hazardous waste to remain in place after closure
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(Note: U.S. EPA may require some post-closure groundwater monitoring; costs will be assigned if such monitoring is required.)

Highway 36 Land Development Co. 5590 East 56th Ave. Commerce City, CO 80022	COT090010620	\$ 662,500	\$ 734,100
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3. In States where EPA is not administering the financial requirements of Subpart H of 40 CFR Parts 264 and 265, this firm, as guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities owned or



operated by its subsidiaries through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
Browning-Ferris, Inc. 7890 Solley Road Glen Burnie, Md. 21061	MDD000797365	\$ 950,000 Actual closure costs certification 40 CFR §264.115	\$ 282,880
Maryland, Phase I Int. Auth. 7/81 - Comar §10.51.08 - adopts 40 CFR 264-140 - 264.151			
BFI Chemical Services, Inc. P.O. Box 907 Chester, Va. 23831 <u>Location:</u> 13400 Ramblewood Rd. Chester, Va. 23831	VAD065394223	\$ 12,480	Not applicable No hazardous wastes to remain in place after closure
Virginia, Phase I, Int. Auth. 11/81; Virginia has no financial responsibility requirements; however, BFI nevertheless submitted the financial test for this facility			
BFI of Illinois, Inc. 2230 Ernest Krueger Circle Waukegan, Ill. 60085	ILD180011843	\$ 380,000	\$ 349,764
BFI of Illinois, Inc. P.O. Box 35 Rockford, Ill. 61105	ILD062414859	\$ 10,400	\$ 258,960
(Note: Notice to be given to U.S. EPA Region V for transfer of ownership/operation of Waukegan facility to CECOS International, Inc. from BFI of Illinois, Inc., also a wholly-owned subsidiary of BFI). Illinois, Phase I Int. Auth.; 5/82. Ill. Hazardous Waste Reg. §725.243 adopts 40 CFR §265.143; §725.245 adopts 40 CFR §§265.145 - 265.151.			
BFI Chemical Services, Inc. P.O. Box 5416 Lake Charles, La. 70606 <u>Location:</u> Willow Springs Road Sulphur, La. 70603	LAD000618256	\$ 3,100,756	\$ 2,120,250
Louisiana Phase I, Int. Auth. 12/80; CECOS International, Inc., Livingston, La. Facility LAD000618298 Financial Resp. per irrevocable letter of credit per Louisiana Environmental Control Commission Permit GD-251-P (a copy of which is enclosed herewith).			

<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
BFI Chemical Services, Inc. P.O. Box 1566 LaPorte, Tx. 77571 <u>Location:</u> 11011 Fairmont Parkway LaPorte, Tx. 77571	TXD091270017	\$ 104,000	Not applicable No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Box 6509 Odessa, Tx. 79762 <u>Location:</u> 2407 E. Murphy Odessa, Tx. 79762	TXD091270017	\$ 104,000	Not applicable No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Box 1195 Nederland, Tx. 77627 <u>Location:</u> West Pt. Arthur Road Nederland, Tx. 77627	TXD069636520	\$ 115,000 Actual closure costs/closure completed/Texas Certification pending	Not applicable No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Box 3151 Houston, Tx. 77001 <u>Location:</u> 11013 Old Beaumont Hwy. Houston, Tx. 77078	TXD000618538	\$ 300,000 Actual closure costs/closure completed/Texas Certification pending	Not applicable No hazardous waste to remain in place after closure

Texas Phase I Int. Auth. 12/80, Phase II - 3/82. Texas Adm. Code §335.235 adopts 40 CFR Part 264, 265 Subpart H, by reference.

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:


None

This firm is required to file a 10K with the Securities and Exchange Commission for the latest fiscal year.

The fiscal year of this firm ends on September 30. The figures for the following items marked with an asterisk are derived from this firm's independently audited year-end financial statements for the latest completed fiscal year, ended September 30, 1983.

1. Sum of current closure and post-closure cost estimates (total of all cost estimates shown in the four paragraphs above). \$16,530,035
2. Current bond rating of most recent issuance of this firm and name of rating service. All outstanding debt is rated A+ at Standard & Poors & A2 at Moody's
3. Date of issuance of bond. various
4. Date of maturity of bond. various
- \*5. Tangible net worth (if any portion of the closure and post-closure cost estimates is included in "total liabilities" on your firm's financial statements, you may add the amount of that portion to this line). The closure/post-closure cost estimate to the extent they have been accrued are included in the liabilities of Browning-Ferris Industries, Inc., but have not been included in this figure. \$352,279,000
- \*6. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.). \$699,574,000
7. Is line 5 at least \$10 million? Yes X No
8. Is line 5 at least 6 times line 1? Yes X No
- \*9. Are at least 90% of firm's assets located in the U.S.? If not, complete line 10. Yes      No X
10. Is line 6 at least 6 times line 1? Yes X No

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.

  
George R. Farris  
Executive Vice President  
and Chief Financial Officer  
December 30, 1983



CORPORATE GUARANTEE  
FOR CLOSURE OR POST-CLOSURE CARE

Guarantee made this 30th day of December, 1983, by Browning-Ferris Industries, Inc. (BFI), a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor, to the United States Environmental Protection Agency (EPA), obligee, on behalf of the following subsidiaries:

CECOS International, Inc., a New York corporation, 2321 Kenmore Avenue, Buffalo, New York;

Browning-Ferris Industries of Elizabeth, N.J., Inc., a New Jersey corporation, P.O. Box 508, Elizabeth, N.J., (referred to herein as BFI of Elizabeth, N.J., Inc.), a wholly-owned subsidiary of Browning-Ferris Industries of New Jersey, Inc., a New Jersey corporation, 1075 Central Avenue, Clark, New Jersey, a wholly-owned subsidiary of BFI;

Browning-Ferris Industries Chemical Services, Inc., a Nevada corporation, P.O. Box 3151, Houston, Texas (referred to herein as BFI Chemical Services, Inc.);

Browning-Ferris Industries of Ohio, Inc., a Delaware corporation, 33 N. Wickliffe Circle, Youngstown, Ohio (referred to herein as BFI of Ohio, Inc.);

Browning-Ferris Industries of Illinois, Inc., a Delaware corporation, 1827 Walden Office Square, Schaumburg, Illinois (referred to herein as BFI of Illinois, Inc.)

Browning-Ferris, Inc., a Maryland corporation, P.O. Box 8733, BWI Airport, Maryland;

Browning-Ferris Industries of Kansas City, Inc., a Missouri corporation, 3150 North 7th, Kansas City, Kansas (referred to herein as BFI of Kansas City);

Highway 36 Land Development Company, a Colorado corporation, 5590 East 56th Ave., Commerce City, Colorado.

hereinafter collectively referred to as "BFI Subsidiaries".

R E C I T A L S

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).

2. BFI Subsidiaries, are the owner and/or operator of the following hazardous waste management facilities covered by this guarantee:

<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
CECOS International, Inc. P.O. Box 1709 Ponce, Puerto Rico 00731 <u>Location:</u> #500 Municipal Road, La Cotorra Canas Ward Ponce, Puerto Rico 00731	PRT000010231	\$ 1,572,000	\$ 328,475
BFI of Elizabeth, N.J., Inc. P. O. Box 508 Elizabeth, N.J. 07207 <u>Location:</u> 714 Division St. Elizabeth, N.J.	NJ0058117979	\$ 13,520	Not applicable No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Box 6400 Charleston, W.Va. 25302 <u>Location:</u> 2933 Sissonville Drive Charleston, W.Va. 25312	WVD063468342	\$ 12,480	Not applicable No hazardous waste to remain in place after closure
CECOS International, Inc. 4879 Spring Grove Avenue Cincinnati, Ohio 45232	OHD000816629	\$ 207,420	Not applicable No hazardous waste to remain in place after closure
CECOS International, Inc. 5092 Aber Road Williamsburg, Ohio 45175	OHD087433744	\$ 564,900	\$ 1,549,860
Browning-Ferris Industries of Ohio, Inc. 530 Glenwood Avenue P.O. Box 2907 Youngstown, Ohio 44511 <u>Location:</u> 201 S. Pleasant Drive East Palestine, Ohio 44413	OHD980795264	\$ 1,400,090	\$ 221,175

<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
Browning-Ferris Industries of Ohio, Inc. P.O. Box 2907 Youngstown, Ohio 49511 <u>Location:</u> 1901 Pine Avenue Warren, Ohio 44481	OHD980795298	\$ 627,695	Not applicable No hazardous waste to remain in place after closure
BFI of Kansas City P.O. Box 283 Missouri City, MO 64072 <u>Location:</u> Stillhouse Road Missouri City, MO 64072	MOD000624452	\$ 547,330	Not applicable No hazardous waste to remain in place after closure
Highway 36 Land Development Co. 5590 East 56th Ave. Commerce City, CO 80022	COT090010620	\$ 662,500	\$ 734,100
Browning-Ferris, Inc. 7890 Solley Road Glen Burnie, Md. 21061	MDD000797365	\$ 950,000 Actual closure costs certification 40 CFR §264.115	\$ 282,880
BFI Chemical Services, Inc. P.O. Box 907 Chester, Va. 23831 <u>Location:</u> 13400 Ramblewood Rd. Chester, Va. 23831	VAD065394223	\$ 12,480	Not applicable No hazardous wastes to remain in place after closure
BFI of Illinois, Inc. 2230 Ernest Krueger Circle Waukegan, Ill. 60085	ILD180011843	\$ 380,000	\$ 349,764
BFI of Illinois, Inc. P.O. Box 35 Rockford, Ill. 61105	ILD062414859	\$ 10,400	\$ 258,960
BFI Chemical Services, Inc. P.O. Box 5416 Lake Charles, La. 70606 <u>Location:</u> Willow Springs Road Sulphur, La. 70603	LAD000618256	\$ 3,100,756	\$ 2,120,250



<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
BFI Chemical Services, Inc. P.O. Box 1566 LaPorte, Tx. 77571 <u>Location:</u> 11011 Fairmont Parkway LaPorte, Tx. 77571	TXD091270017	\$ 104,000	Not applicable No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Box 6509 Odessa, Tx. 79762 <u>Location:</u> 2407 E. Murphy Odessa, Tx. 79762	TXD091270017	\$ 104,000	Not applicable No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Box 1195 Nederland, Tx. 77627 <u>Location:</u> West Pt. Arthur Road Nederland, Tx. 77627	TXD069636520	\$ 115,000 Actual closure costs/closure completed/Texas Certification pending	Not applicable No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Box 3151 Houston, Tx. 77001 <u>Location:</u> 11013 Old Beaumont Hwy. Houston, Tx. 77078	TXD000618538	\$ 300,000 Actual closure costs/closure completed/Texas Certification pending	Not applicable No hazardous waste to remain in place after closure

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by Subpart G of 40 CFR Parts 264 and 265 for the closure and post-closure care of facilities as identified above.

4. For value received from BFI Subsidiaries, guarantor guarantees to EPA that in the event that BFI Subsidiaries, fail to perform "closure" and/or "post-closure care", of the above facilities in accordance with the closure and/or post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI Subsidiaries, in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI Subsidiaries, in the amount

of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 and 265.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrator(s) for the Region(s) in which the facility is located and to BFI Subsidiaries, that he intends to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI Subsidiaries. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless BFI Subsidiaries have done so.
6. The guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.
7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI Subsidiaries, unless BFI Subsidiaries, have done so.
8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure, or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR Parts 264 or 265.
9. Guarantor agrees to remain bound under this guarantee for so long as BFI Subsidiaries must comply with the applicable financial assurance requirements of Subpart H of 40 CFR Parts 264 and 265 for the above listed facilities, except that guarantor may cancel this guarantee by sending notice by certified mail to the EPA Regional Administrator(s) for the Region(s) in which the facilities are located and to BFI Subsidiaries such cancellation to become effective no earlier than 120 days

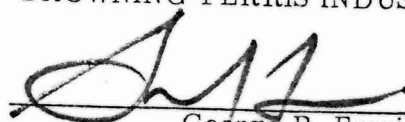
after receipt of such notice by both EPA and BFI Subsidiaries, as evidenced by the return receipts.

10. Guarantor agrees that if BFI Subsidiaries fail to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator(s) within 90 days after a notice of cancellation by the guarantor is received by an EPA Regional Administrator from guarantor, guarantor shall provide such alternate financial assurance in the name of BFI Subsidiaries.
11. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by BFI Subsidiaries. Guarantor also expressly waives notice of amendments or modifications of the closure and/or post-closure plan and of amendments or modifications of the facility permits.

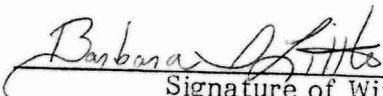
I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written.

Effective date: December 30, 1983

BROWNING-FERRIS INDUSTRIES, INC.



George R. Farris  
Executive Vice President  
and Chief Financial Officer



Signature of Witness

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

**FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 1983.

Commission File Number 1-6805.

**BROWNING-FERRIS INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**74-1673682**

(I.R.S. Employer  
Identification No.)

**14701 St. Mary's**

**Houston, Texas**

(Address of principal executive offices)

**77079**

(Zip Code)

Registrant's telephone number, including area code: (713) 870-8100.

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.16-2/3 par value	New York Stock Exchange, Inc. Midwest Stock Exchange Incorporated The Pacific Stock Exchange Incorporated
10-1/4% Sinking Fund Debentures Due June 1, 1996	New York Stock Exchange, Inc.
12-7/8% Notes Due February 1, 1987	New York Stock Exchange, Inc.

Securities registered, pursuant to Section 12(g) of the Act:

Serial Preferred Stock, Series 7, without par value  
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.



Approximate aggregate market value of common stock held by non-affiliates: \$1.4 billion, computed on the basis of \$43.00 per share, closing price of the common stock on the New York Stock Exchange, Inc. on December 20, 1983. Since the Company's serial preferred stock is not listed on any exchange or actively traded in any market, the market value of the serial preferred stock has not been determined.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 20, 1983:

<u>Classes of Common Stock</u>	<u>Number of Shares Outstanding</u>
\$ .16-2/3 par value	33,370,419

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Items 10, 11, 12 and 13 of Part III (except for information required with respect to executive officers of the Company which is set forth under "Business—Executive Officers of the Company" in Part I of this report) have been omitted from this report, since the Company will file with the Securities and Exchange Commission, not later than 120 days after the close of its fiscal year, a definitive proxy statement, pursuant to Regulation 14A, which involves the election of directors. The information required by Items 10, 11, 12 and 13 of Part III of this report which will appear in the definitive proxy statement is incorporated by reference into this report.

## PART I.

### Item 1. Business.

#### General

Browning-Ferris Industries, Inc. is one of the largest publicly-held companies engaged primarily in the collection, processing/recovery and disposal of solid and chemical wastes for commercial, industrial, governmental and residential customers.

The Company operates through subsidiaries or affiliates in approximately 168 locations in North America and nine locations outside of North America, and employs approximately 15,500 persons. Each operating location is a distinct, localized service business. No single location or customer accounts for a material amount of BFI's revenue or net income. The Company is primarily involved in one line of business, that of providing waste systems services. For information concerning the Company's operations by geographic area, refer to Note (11) of Notes to Financial Statements.

The Company's activities are substantially affected by laws and regulations which relate to the protection of the environment, and by administrative and judicial proceedings, brought pursuant to such laws and regulations, to which the Company is a party. See "Business - General - Disposal", "Business - Regulation" and "Legal Proceedings-Environmental Proceedings".

In addition to its operations in Canada and Puerto Rico, the Company has international operations in Kuwait, Saudi Arabia, Spain, Venezuela and West Germany. The profitability and risks associated with its foreign operations are subject to changes in national and political policies, social instability, currency fluctuation and other risks associated generally with operations in foreign countries. See "Business—International Operations", "Business—Corporate Development" and Note (11) of Notes to Financial Statements.

The Company's North American solid waste subsidiaries are organized for management purposes into nine geographic regions. The operating management structure is decentralized in these highly autonomous geographic regions. Regional vice presidents are responsible for all operating and financial objectives established for their respective regions and assist the district managers, responsible for local district operations of the subsidiaries, primarily through the development and approval of capital budgets, profit, pricing and corporate development plans, and through the coordination of the activities of those operations within each such region. The Company's hazardous and chemical waste operations are conducted and managed by CECOS International, Inc. and its subsidiaries and affiliates. See "Business—Corporate Development". Three subsidiaries, one of which is a foreign subsidiary, are responsible for operations outside of North America.

The following table reflects the percentage contribution to total revenue from all classes of services applicable to the Company's dominant industry segment and from all other operations for the three years ended September 30, 1983:

	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b>Waste Services</b>			
Solid Waste Commercial and Industrial Collection:	55%	57%	59%
Solid Waste Residential Collection:	16%	17%	18%
Solid Waste Processing and Disposal:	10%	12%	11%
Chemical Waste Collection and Disposal:	13%	10%	9%
<b>Other Activities</b>	6%	4%	3%

Total assets at September 30, 1981, 1982 and 1983 were \$636.9 million, \$715.8 million and \$783.0 million, respectively. See "Consolidated Statements of Income" and Note (11) of Notes to Financial Statements.

Other activities include high-pressure water and chemical cleaning of industrial-process equipment, specialized catalyst-handling services, and other activities to a lesser extent. Revenue, income from operations and identifiable assets applicable to other activities are not significant. See "Business — Other Activities" and "Business — Corporate Development".

#### Collection

BFI, through its subsidiaries and affiliates, collects wastes in over 155 locations in 39 states, Canada, Kuwait, Puerto Rico, Saudi Arabia, Spain, and Venezuela. It provides collection and disposal services for numerous commercial establishments, industrial plants and governmental and family units. Solid waste services provided by the Company to its customers involve several integral functions that result in the removal and final disposal of unwanted and discarded materials, such as paper, glass and metal, and animal, vegetable and other matter. The Company also collects, transports and disposes of various hazardous chemical and other wastes for industrial customers and provides collection and disposal of sewage sludge for certain municipalities.

In its solid waste collection operations, BFI uses approximately 388,000 steel containers and approximately 4,500 specially equipped collection trucks. Steel containers, generally ranging in capacity from one to 40 cubic yards, are designed to be lifted mechanically and emptied. In addition, stationary hydraulically operated equipment, which compacts the waste and provides greater storage capacity and reduced frequency of collection, is sold or rented to many commercial and industrial customers for installation on their premises. The Company also operates approximately 260 vacuum tank trucks and other transport vehicles for the collection of hazardous chemical and other wastes.

Generally, the Company's commercial and industrial solid waste collection and disposal services are being performed by the Company pursuant to service agreements providing for initial one-year terms and successive annual terms thereafter, until terminated on 60 days notice prior to the end of any yearly period. Residential collection contracts with individual homeowners, homeowner groups and municipalities are generally for periods of one to five years. Solid waste residential collection and disposal contracts with cities, counties or other governmental units are usually awarded only after competitive bidding, and regulate most operating and economic aspects of the Company's services provided under such contracts. See "Business-Disposal" and "Business-Regulation".

The Company's chemical waste collection, processing and disposal operations are conducted through a wholly-owned subsidiary, CECOS International, Inc. ("CECOS") and its affiliated subsidiaries. CECOS collects, transports, processes, treats and disposes of chemical wastes for a variety of commercial and industrial customers. All of the existing chemical waste operations of the Company have been consolidated within CECOS' operations and are being managed as a separate group of subsidiaries under the direction of CECOS. See "Business - Corporate Development -Acquisition Program."

Both operating costs and collection fees vary throughout the areas of the Company's operations. Prices for collection and disposal services are determined by the volume, weight and type of wastes collected, treatment requirements, risks involved in the handling or disposal of the wastes, frequency of collections, costs of disposal, distance to final disposal sites, amount and type of equipment furnished to the customer and prices charged for similar services by competitors. Under contracts that are for periods of one year or longer, the Company's ability to pass on all increased costs is often limited. Many long-term contracts contain a formula, generally based on a published price index, for automatic adjustments of fees to cover increases in some, but not all, operating costs.

#### Processing

BFI operates 19 solid waste transfer stations, four of which the Company owns, at which it processes solid wastes for removal to more distant final disposal sites. Transfer stations are more conveniently located facilities at which residential and commercial collection vehicles discharge their comparatively low volume solid waste loads for reloading into large volume transfer vans for more efficient transportation to distant disposal sites. Of the Company's transfer stations, one is currently using equipment to recover potentially marketable components of the waste stream, primarily paper and ferrous metals under an operating agreement for an experimental resource recovery facility in Toronto, Ontario.

#### Disposal

BFI uses the sanitary landfill, a widely used and accepted method of solid waste disposal, as its primary method of final disposal of solid waste. BFI currently operates over 75 active solid waste sanitary landfill sites, approximately 30 of which are wholly owned by the Company. Five are either owned jointly with others or partially owned and partially leased. At BFI's sanitary landfills, collection and transfer vehicles deposit wastes that are spread and compacted by special purpose equipment. Heavy earthmoving equipment covers the waste, generally at least once daily, with a layer of earth or other cover material. The landfill thus consists of alternating layers or cells of compacted waste and cover material.



The ownership or lease of landfill sites enables the Company to dispose of waste without payment of disposal fees to others. At present, BFI does not own or lease a landfill site in every metropolitan area in which it is engaged in solid waste collection; however, it is the Company's intention to seek ownership or lease of landfill sites in most of such areas. To date, the Company has not experienced undue difficulty securing the use of disposal facilities operated by others in those communities in which it does not operate its own landfill sites. See "Business—Processing" and "Business—Regulation".

The Company also processes or disposes of hazardous chemical and other wastes at ten facilities in eight locations. These sites are licensed by state agencies to receive, process or dispose of various chemical or toxic wastes, liquid and solid, which are defined as posing a substantial hazard to health or to the environment. See "Business—Collection" and "Business—Regulation".

There are risks of varying severity associated with the establishment, continued ownership and operation of sanitary landfill sites and other treatment and disposal facilities for solid, liquid or hazardous wastes. These potentially adverse factors include, but are not limited to, (i) a shortage of suitable sites, (ii) substantial opposition by nearby residents or landowners to the location and operation of landfills or other waste treatment and disposal facilities, (iii) costs associated with leachate and methane gas control facilities, post-closure monitoring, site corrections and maintenance and potential perpetual care obligations, (iv) possible adverse effects upon public health and the environment and exposure to increased regulatory compliance expenditures, fines and civil damage liabilities, (v) increasingly complex, costly and restrictive regulation at federal, state and local levels involving the securing of permits, demonstrating financial responsibility and conforming to prescribed standards and methods of operation, (vi) judicial and administrative proceedings by federal, state and local governmental bodies and private litigants regarding location, operation or alleged possible adverse environmental effects of landfills or other treatment and disposal facilities, and (vii) possible reductions in the amount of solid waste material received for disposal because of the construction and operation of new facilities to recover or process solid wastes for their possible use as an alternative or supplemental energy source. See also "Business—Corporate Development," "Business—Regulation" and "Legal Proceedings—Environmental Proceedings".

Should BFI become unable to continue operations at existing landfills or other treatment and disposal facilities, or become unable to obtain suitable new or replacement sites, it will be required to find and use other disposal facilities or methods. This may result in increased disposal costs and significantly impair the value of the significant amount of assets currently employed in, or used for, the operation of these facilities.

BFI has from time to time undertaken or been required, and may in the future undertake or be required, to cease operations or to alter substantially the methods of operation at existing sites or facilities or to implement additional monitoring, post-closure maintenance or corrective measures at closed waste disposal sites or facilities. These actions have required BFI to make additional expenditures and may in the future require BFI to make further expenditures which could be substantial and have a negative impact on income.

## International Operations

During the last three years, the Company's involvement in operations in countries outside North America increased significantly.

An affiliate, Browning-Ferris Saudi Arabia, Ltd., obtained, and is operating currently under, a five-year contract to provide refuse collection and disposal and street cleaning services in Riyadh, Saudi Arabia. Revenues to the affiliated company under the five-year contract will be approximately \$233 million. To facilitate the start-up of operations, an advance payment of approximately 20% of the contract price was received from the Municipality of Riyadh. Browning-Ferris Saudi Arabia, Ltd. is owned fifty percent by a subsidiary of the Company and fifty percent by Mawarid Investments Limited, a Saudi Arabian company based in Riyadh. The Browning-Ferris affiliate was selected for the project as a result of a competitive bid with three other companies. The services commenced in October, 1982.

Browning-Ferris Saudi Arabia, Ltd. is providing complete sanitation and cleaning services, including disposal in two sanitary landfills, for the City of Riyadh, Saudi Arabia's capital city having a population of over one million residents. Under the terms of the contract, Browning-Ferris Saudi Arabia, Ltd. utilizes approximately 265 waste collection vehicles, 66 mechanical street sweepers, certain items of heavy equipment and various support vehicles. Browning-Ferris Saudi Arabia, Ltd. employs approximately 3,600 personnel including managers, professional staff, drivers and laborers.

Cotecnica C.A., a Venezuelan national company in which the Company and a group of Venezuelan investors have approximately equal interests, signed an eight-year contract in August 1981, to provide commercial and residential solid waste collection, street cleaning services and transfer station operations to a portion of the City of Caracas, Venezuela. Operations commenced in November 1981. The joint venture utilizes approximately 90 solid waste collection and street sweeping vehicles and employs approximately 615 employees to provide services to approximately one-fourth of the city's approximately three million residents.

The Company has approximately one-half interest in an affiliate which provides residential solid waste collection and street sweeping services to the approximately one million residents of the City of Maracaibo, Venezuela under a five-year contract that began in November, 1980. The venture utilizes approximately 85 solid waste collection and street sweeping vehicles and employs approximately 355 employees.

During 1983, Venezuela imposed a series of exchange controls on foreign currency transactions. These exchange controls were followed by a significant deterioration in the value of the Venezuelan currency in relation to the U.S. dollar on foreign exchange markets. It is uncertain currently what effect, if any, these events will have upon the Company's business interests in Venezuela.

The Company has a 49% interest in an affiliate which provides waste collection and street cleaning services in four districts of Kuwait Municipality, Kuwait under a five-year contract that began in November, 1980. The project utilizes approximately 35 collection and cleaning vehicles and employs about 275 people. In addition, affiliates of the Company provide waste collection services in four cities in Spain, and provide catalyst-handling services in Cologne, West Germany.



As a result of the Company's expanding operations outside of North America, the Company and its affiliates have obtained valuable experience in mobilizing for and managing such operations.

In addition to being subject to business risks generally encountered in the Company's domestic operations, the Company's operations outside of North America are subject to various risks such as currency fluctuations, foreign governmental currency control regulations, the recruitment of non-resident labor, changes in foreign laws, social instability, compliance with foreign immigration laws, political changes, international tensions and problems associated with foreign governmental appropriation processes. In addition, provisions of the federal Export Administration Act could affect the ability of the Company and its affiliates to perform in certain countries.

Foreign municipal contracts often require letters of credit and/or performance bonds to assure satisfactory performance, and such contracts may also provide for substantial monetary penalties for unsatisfactory performance, including the right to offset penalties against payments to be made under the contract, termination of the contract with or without cause by the foreign municipality, and submission of questions of contract interpretations and disputes to resolution in a local forum where the municipality is located. Certain contractual price adjustments may not adequately reflect the cost of performance. Where foreign contracts are for fixed prices, factors such as population growth, increases in volume generated and inflation may impair the profitability of a particular foreign contract.

For information concerning revenues, income from operations, and material identifiable assets applicable to foreign operations (including those in Canada), see Note (11) of Notes to Financial Statements.

### **Other Activities**

The Company also provides (i) chemical and high-pressure water cleaning of industrial-process equipment used by petrochemical plants, refineries, chemical plants, paper mills, utility companies, oil producers, steel mills and metal finishing plants, and the formulation and sale of special purpose cleaning chemicals and (ii) specialized catalyst-handling services which involve the removal, cleaning and replacement of processing catalysts for the chemical and petroleum industries. These services are provided primarily for customers located in the coastal states. Chemical cleaning operations produce a variety of chemically complex liquid wastes which may be toxic to the environment, some of which are disposed of by the customer and some of which BFI treats and disposes of as a part of its hazardous chemical waste services.

The Company also engages, to a limited extent, in several other activities that either are related to the Company's principal business or have been developed in response to specific needs or opportunities of a particular operation. These include earth-moving and excavation contracting, engineering and consulting services, life support equipment sales and rentals, sales or rentals of steel refuse containers and solid waste compaction and related equipment. The Company may also participate, to a limited extent, in various capacities in the ultimate end-use development of certain completed BFI landfills and other real and personal property in which it has an interest, and from time to time, the Company sells or otherwise disposes of surplus land or other real or personal property.

## Corporate Development

The emphasis of the Company's corporate development program is on expanding the customer base serviced by existing systems, expanding into new domestic and international markets and expanding the kinds of services offered by existing operations to include other elements of complete solid and chemical waste systems, such as processing/recovery and disposal. Responding to increased and more uniform enforcement of hazardous waste disposal regulations pursuant to federal and state legislation, the Company is continuing to expand its chemical and other hazardous wastes collection, treatment and disposal activities and capabilities. See "Business—Corporate Development—Acquisition Program". The Company is selectively evaluating several possible project opportunities for the Company's services in Latin America, the Middle East and other areas of the world. Foreign markets could represent a potentially important long-term source of new business for the Company (see "Business—International Operations").

The Company is also involved in marketing waste-to-energy facilities that would utilize the proven mass-burning technology of the West German firm, Deutsche Babcock Analagen ("DBA") for which the Company is the exclusive licensee in North America. Although no facility employing this technology has yet been constructed in the United States, the technology has been applied extensively in Europe and elsewhere.

### Acquisition Program

The Company has acquired a number of businesses engaged in one or more aspects of the waste services industry. As a part of its on-going corporate development program, BFI intends to continue to pursue the acquisition of additional companies using both Common Stock and cash. There can be no assurance that BFI will be successful in making additional acquisitions. In the course of its recent acquisition program, BFI has issued shares of its Common Stock, portions of which have been, and in the future may be, resold by the recipients thereof in open market transactions, pursuant to "shelf" registration statements maintained by BFI, or pursuant to exemptions from the registration requirements of the securities laws. Additionally, some of the shares of BFI Common Stock issued in acquisitions have been sold in underwritten public offerings.

On January 31, 1983, the Company acquired CECOS International, Inc. and Newco Waste Systems, Inc. which, together with their subsidiaries and affiliated companies (the "CECOS/NEWCO Companies"), provide chemical waste and solid waste collection, processing and disposal services. The Company acquired all of the capital stock of the CECOS/NEWCO Companies in exchange for 2,272,500 shares of Common Stock. The acquisition was accounted for as a pooling-of-interests.

Substantially all of the Company's hazardous and chemical waste operations have been placed into CECOS International, Inc., or its subsidiaries and affiliates, which operate as separate corporate entities. The solid waste operations of Newco Waste Systems, Inc. and its affiliates operate as independent units within the Company's Northeast Region.

CECOS International, Inc. established in 1976, has operating locations in Niagara Falls, New York, and Williamsburg and Cincinnati, Ohio, for the processing, treatment or disposal of chemical hazardous wastes. CECOS owns or operates hazardous waste disposal sites in Williamsburg, Ohio and Niagara Falls, New York, and also has wastewater



processing plants in Cincinnati, Ohio and Niagara Falls, New York. CECOS is also active in hazardous waste treatment research, chemical waste spills remedial action and disposal site cleanup programs. CECOS was the first private firm to receive a contract for remedial work at the Love Canal. CECOS, with disposal sites and regional treatment facilities in upstate New York and in Ohio, serves the hazardous wastes generator-intensive Northeast and the Great Lakes-Ohio River Valley areas. BFI's other hazardous waste disposal sites and treatment facilities primarily serve chemical and petro-chemical customers located in the Texas Gulf Coast region. The combined facilities of the Company and CECOS are located in the geographic areas which generate an estimated 70% of all hazardous wastes produced in the United States.

The Newco Waste Systems group of affiliated companies provides solid waste collection and disposal services primarily in the Buffalo and Niagara Falls, New York areas. These companies currently operate four solid waste transfer stations and four sanitary landfills. Newco is also the prime contractor for the supply of waste to the Hooker Energy Corporation waste-to-energy plant in Niagara Falls, New York, and for disposal of by-passed waste and residue from that plant.

### **Financing and Capital Appropriations**

Capital appropriations were approximately \$149 million in fiscal 1983. The Company has approved a capital appropriation budget of \$194 million for fiscal 1984. Of this amount, approximately \$53 million is allocated to the normal replacement of assets and approximately \$66 million for expansion within existing operations. The balance of \$75 million is allocated to corporate development and other activities and contingencies. See "Business—Corporate Development". In addition, approximately \$15 million is expected to be expended in fiscal 1984 to complete capital commitments made in fiscal 1983. The Company believes the amounts budgeted to replace assets, if expended, are sufficient to maintain the level of its existing assets through 1984; however, either an improvement or deterioration in the national economy could result in a revised level of capital appropriations. It is currently anticipated that most of the funds required for fiscal 1984 capital expenditures will be provided from internally generated sources.

Over the last five years, the Company has invested approximately \$600 million in property and equipment. Although subject to revision depending upon conditions prevailing in the economy, the Company currently expects that its capital expenditures during the next five years will be approximately \$1-1/2 billion. These investments will be for assets intended to produce new sources of revenue and profit for the Company and for normal replacement of assets. See also "Business—Regulation". The Company currently expects to obtain most of the additional funds required during the next five years to finance its anticipated increased capital expenditures and other uses of funds from internally generated sources, although any short-fall in funds required for these purposes will have to be obtained from outside sources of capital, including borrowings.

The Company has an unsecured, variable interest rate term bank credit agreement providing for borrowings of up to \$80 million (which may be increased up to \$120 million if additional banks agree to participate). The Company had no borrowings under this bank credit agreement at December 20, 1983. The unused borrowing capacity under this agreement will be available, if needed, to assist the Company in meeting its requirements for outside sources of capital. The Company currently anticipates some borrowings under this agreement in fiscal 1984. The Company's objective is to maintain a significant portion of its total long-term debt on a fixed interest rate basis. The Company has two

unsecured, variable interest rate lines of credit established at two banks providing for borrowings of up to \$10 million each. The Company had \$7 million outstanding under these two lines of credit at December 20, 1983. See Note (5) of Notes to Financial Statements for more detailed information concerning this agreement and the Company's other long-term and short-term debt.

## **Regulation**

Solid waste disposal and hazardous waste transportation, treatment and disposal activities are stringently regulated by federal, state and local laws relating to public health, safety and the environment. See "Business — Disposal". The Company anticipates that the evolving requirements in health, safety and environmental protection laws will continue to require the Company and others engaged in the waste systems industry and their customers to continually modify or replace various waste facilities and to alter methods of operation at costs that may be substantial. The Company believes that, because it is engaged in providing waste services, many of its capital expenditures relate to the requirements of laws concerning the environment. These expenditures include costs associated with remedial and facility upgrading activities, facility closure and post-closure maintenance and monitoring, and other costs which are associated with the Company's solid waste disposal and hazardous waste transportation, processing and disposal activities. The majority of these expenditures are made in the normal course of the Company's business, and neither materially adversely affect the earnings of the Company nor place the Company at any competitive disadvantage. Moreover, the Company did not, during fiscal year 1983 and does not expect during the ensuing two fiscal years, to expend material amounts for the construction, upgrading or remedying of environmental control facilities.

The federal Resource Conservation and Recovery Act of 1976 ("RCRA") and the regulations thereunder establish a comprehensive "cradle-to-grave" regulatory program applicable to hazardous wastes, and require the adoption of strict standards for solid waste sanitary landfills. The core of the U.S. Environmental Protection Agency's ("EPA") regulations became effective November 19, 1980. New RCRA regulations became effective January 26, 1983, for new and existing land disposal facilities which complete the federal RCRA regulatory scheme for hazardous waste facilities. Standards now exist for incinerators, storage and treatment tanks, storage containers, storage and treatment surface impoundments, landfarming, waste piles and landfills.

The landfill standards, of great importance to BFI, contain two basic parts: design, operating standards and groundwater monitoring protection standards. The primary element of the design, operating standards is a liner to prevent migration of wastes out of the landfill and into subsurface soil or groundwater during the active life of the facility and the 30-year post-closure period. EPA has determined that synthetic liners are capable of meeting this standard. Alternative liners may be approved instead of a synthetic liner if the applicant is able to show there would never be any migration of wastes from the facility. BFI encourages the utilization of lining systems that maximize safety. These liners are often impermeable liner systems of synthetic and clay materials.

The purpose of the groundwater monitoring, protection and corrective action program is to identify any land disposal facilities which are leaching, to establish monitoring to determine direction, flow and nature of leachate and to require corrective action to contain leachate and prevent migration.

The application of the new landfill design standards of synthetic liners and the expanded groundwater monitoring requirements will be imposed through final RCRA permits and may have a substantial impact on the disposal of hazardous wastes both for industries disposing of their wastes onsite and for commercial hazardous waste disposal operations. Some of these regulations could have a detrimental effect upon the number of disposal facilities in existence or under development.

The EPA began requesting final RCRA permits in February, 1983 and as of December 20, 1983, nine applications have been submitted by subsidiaries of BFI; however, the EPA has publicly acknowledged that it may take several years for the required permit applications for existing facilities to be processed. Under RCRA, "interim status" may be accorded to a hazardous waste storage, treatment or disposal facility in existence on November 19, 1980, pending the processing of its final permit. The Company has obtained "interim status" for its hazardous chemical waste treatment and disposal facilities under federal law.

The EPA's final financial responsibility regulations require owners or operators of all hazardous waste facilities to have liability coverage for sudden accidental occurrences in the amount of at least \$1 million per occurrence, with an annual limit of at least \$2 million. For surface impoundments, landfills, and land treatment facilities, the owner or operator must also have liability coverage for nonsudden, or gradual, accidental occurrences in the amount of \$3 million per occurrence, with a limit of at least \$6 million annual aggregate.

BFI has obtained Environmental Impairment Liability (EIL) insurance coverage for non-sudden, accidental events with limits of \$30,000,000 per impairment and \$60,000,000 annual aggregate, subject to certain deductibles, for long-term, gradual pollution. The EIL insurance is intended to satisfy new regulatory requirements of federal and state governments that hazardous waste management facilities have insurance for non-sudden environmental impairment.

RCRA regulations also require owners and operators to demonstrate financial responsibility to cover estimated costs of proper closure and 30 years of post-closure monitoring and maintenance for each hazardous waste management facility.

The Company believes RCRA, and the regulations thereunder, will be of material significance in the development of the Company's hazardous waste disposal business. Certain regulations under RCRA and various other legislative and regulatory initiatives have been finalized or are pending at both federal and state levels. States may have requirements more stringent than federal programs and many states are revising their laws and regulations to obtain primacy in administering the hazardous waste program.

The Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA, also referred to as the "Superfund Act") created a new scheme of environmental liability for clean-up of sites containing hazardous substances, which are or may be released into the environment. The class of "hazardous substances" incorporates approximately 400 substances, many of which are extremely common in industrial, manufacturing and commercial operations.

Present and past owners and/or operators of a site releasing hazardous substances, generators of the hazardous substances and transporters who selected the site for disposal may all be liable for costs of removing hazardous substances and remedying harmful



effects, such as pollution of groundwater. The primary focus of the EPA and the states over the past year has been the designation of sites for clean-up, the identification of parties liable for clean-up and negotiations or litigation for the costs of remedial actions.

CERCLA also creates a \$200 million "Post-Closure Liability Fund" that is intended, under certain conditions, to relieve the owner/operator from any liability after proper closure for hazardous waste sites which have been operated and closed in accordance with the requirements of RCRA. The post-closure fund is to be provided through a \$2.13 tax (commencing September 30, 1983) on each dry ton of hazardous waste disposed of and remaining at these sites following closure. The post-closure fund will be used to provide funds to monitor and maintain any complying facility and to compensate third parties for damages which might be caused by such closed facilities.

### **Competition**

BFI is one of the largest publicly-held companies engaged primarily in the waste systems business. BFI competes with many large and small waste companies that offer all or part of the services BFI provides. BFI believes that no company has a significant portion of any major aspect of the waste systems market. In some geographic areas, all or part of the solid waste collection, processing and disposal services offered by BFI may also be provided by municipalities and, more recently, by governmental authorities with regional or multi-county jurisdiction. Generally, governmental units do not provide significant commercial or industrial solid or liquid waste collection or disposal services. Additionally, BFI's residential solid waste collection and disposal services are usually provided in those metropolitan areas where a governmental entity either does not provide those services or has contracted with the Company to provide such services. However, because those solid waste services provided by municipal or regional governmental authorities generally are subsidized by tax revenues and major equipment or facilities may be financed with proceeds from the sale of tax-exempt bonds, these authorities may provide such services at lower prices (though not necessarily at lower costs) than those of private companies.

Competition, encountered primarily from numerous locally-owned private companies, and to a lesser degree from municipalities and other governmental units, is intense as to pricing and to the type and quality of services offered in all aspects of the waste systems business. Competition in the marketing, design and operation of solid waste processing/recovery systems is being encountered from large technically-oriented manufacturing firms not previously engaged in any significant way in the waste industry, from governmental entities and from other local, regional or national waste systems companies.

BFI believes that it is one of the largest companies providing chemical and high-pressure water cleaning services and the largest of the numerous companies providing catalyst-handling services nationwide. The Company competes with numerous competitors in these activities on the basis of price, service warranty, quality of service and technology. The Company believes that, in general, it is at no particular advantage or disadvantage in any of the markets in which it competes.



## Executive and Other Officers of the Company

The executive and other officers of the Company, their position (including their principal area of responsibility with the Company) and their respective ages are as follows:

<u>Name</u>	<u>Position</u>	<u>Age*</u>
Harry J. Phillips, Sr.	Chairman of the Board, Chief Executive Officer, Director, Member of the Executive Committee and Nominating Committee	53
John E. Drury	President, Chief Operating Officer, Director and Member of the Executive Committee	39
Norman A. Myers	Vice Chairman, Chief Marketing Officer, Director and Member of the Executive Committee	48
George R. Farris	Executive Vice President, Chief Financial Officer, Director and Member of the Executive Committee	40
Howard S. Hoover, Jr.	Senior Vice President, General Counsel and Director	45
Oscar M. Holland	Senior Vice President and Controller (Chief Accounting Officer)	50
Gerald J. Lynam	Senior Vice President (Solid Waste Operations, North America)	39
Edward J. Crane	Vice President and General Sales Manager	50
Bruce I. Hendrickson	Vice President (Engineering Services)	47
Michael P. Lawlor	Vice President (Landfill Operations)	44
C. P. J. Mooney, III	Vice President (Employee Relations)	45
Stephen L. Thomas	Vice President (Operations Administration)	44
Gerald K. Burger	Secretary	31
Fletcher Thorne-Thomsen, Jr.	Treasurer	35

\*As of December 21, 1983.

Mr. Phillips, Chairman of the Board and Chief Executive Officer, was first elected President and a director of the Company in December 1970, became Chief Executive Officer in December 1977 and Chairman of the Board in September 1980. He founded solid waste collection and processing companies, which were acquired by the Company, with operations in Houston, Memphis and San Juan. He has been engaged in the waste systems business since 1956. Mr. Phillips is a director of the National Commerce Bancorporation, Memphis, Tennessee, the National Association of Manufacturers, the National Solid Waste Management Association and a director or trustee of several educational and charitable organizations.

Mr. John E. Drury was elected a Vice President of the Company in March 1973, an Executive Vice President in July 1976, Chief Operating Officer in March 1981 and President in December 1982. He has been employed by the Company since 1970 and has served in its solid waste activities in various capacities since 1972. He is the son of Edward Drury, who is a director.

Mr. Myers was elected a Vice President of the Company in December 1970, became an Executive Vice President in July 1976, Chief Marketing Officer in March 1981 and Vice Chairman of the Board in December 1982.

Mr. Farris served as Treasurer of the Company from May 1974 to December 1983 and became Vice President and Chief Financial Officer in December 1976. On December 6, 1982, he was elected Executive Vice President and a director of the Company. Mr. Farris serves as a director of RepublicBank Houston, N.A. and is also a director or trustee of various charitable or civic organizations.

Mr. Hoover served as Secretary of the Company from January 1971 to March 1983 and became Vice President and General Counsel in April 1975. In December, 1982, he was elected a Senior Vice President and a director of the Company. Mr. Hoover also serves as a director of the State Bar of Texas and of Boys Country of Houston.

Mr. Holland is a certified public accountant and has served the Company as an accountant for a period in excess of the past five years. He was elected Controller and named Chief Accounting Officer in July 1977 and elected a Vice President in December 1979. In December 1982, he was elected a Senior Vice President.

Mr. Lynam has served the Company in various accounting and management capacities for a period in excess of the past five years. He was elected a Vice President in September 1978. In December 1982, he was elected a Senior Vice President.

Mr. Crane was elected a Vice President of the Company in December 1979. He had previously served as Vice President, Marketing, for Emery Air Freight for a period in excess of the past five years.

Mr. Hendrickson has served as a Vice President of the Company since February 1974.

Mr. Lawlor has served the Company in various landfill management capacities for a period in excess of the past five years. In February 1978, he was elected a Vice President.

Mr. Mooney has directed the Company's Employee Relations Department for a period in excess of the past five years. He was elected a Vice President of the Company in February 1974.

Mr. Thomas has served the Company in various management and administrative capacities for a period in excess of the past five years, principally in its solid waste activities. He was elected a Vice President in July 1975.

Mr. Burger has served the Company in its Legal/Secretary's Department in management and administrative capacities since May 1978. Prior to such time, he was employed by the accounting firm of Peat, Marwick, Mitchell & Co. He was elected Secretary of the Company in March 1983.

Mr. Thorne-Thomsen, who was previously Manager of Financial Relations prior to becoming Treasurer of the Company in December 1983, joined the Company in January 1978. Prior to that, he was a Vice President of the First National Bank of Commerce in New Orleans.

The officers of the Company are elected by the Board of Directors, generally at its meeting held the day of the annual meeting of stockholders or as soon thereafter as practicable. Each officer is elected to hold office until his successor shall have been chosen and shall have qualified or until his death or the effective date of his resignation or removal. The annual meeting of stockholders is scheduled to be held March 7, 1984, in Houston, Texas.

### **Item 2. Properties.**

In its operations, the Company uses specially-equipped trucks, steel containers, and stationary compactors, and the Company owns and/or operates sanitary landfill sites throughout the United States and Canada. See "Business--Disposal", "Business--Collection", and Note (3) of Notes to Financial Statements.

The Company leases its executive office building located at 14701 St. Mary's, Houston, Texas, under a lease with an initial term which ends in 1991. The Company owns real estate, buildings and other physical properties which it employs in its daily operations in a large number of its operating locations. See Note (6) of Notes to Financial Statements. The Company also leases a substantial portion of its transfer stations, offices and storage and shop space.

BFI believes that its property and equipment are well maintained and adequate for its current needs, although the Company expects to make substantial investments in additional property and equipment for expansion and for replacement of assets, as they reach the end of their useful lives and in connection with its corporate development program. See "Business--Corporate Development", "Business--Financing and Capital Appropriations", and "Management's Discussion and Analysis of Financial Condition and Results of Operations, Capital Appropriations". Certain of BFI's property and equipment is subject to mortgages and liens securing payment of portions of its indebtedness, including most of the indebtedness on the solid waste disposal bond issues in which the Company has participated. See Notes (5) and (6) of Notes to Financial Statements for information with respect to mortgage and lease obligations on these properties.

### **Item 3. Legal Proceedings.**

The Company is a defendant in a lawsuit styled "Conservation Management, Inc. vs. Browning-Ferris Industries, Inc., et al." filed on July 2, 1981, in the United States District Court in Houston, Texas, alleging that the Company engaged in certain anticompetitive

practices in the Houston area solid waste landfill market in violation of federal antitrust laws. The Company is alleged to have conspired with others to exclude plaintiff from the landfill business by blocking its application for a landfill permit. The plaintiff's landfill permit application was denied by the Texas Department of Health in June 1980 on the basis that the subsurface geology of the plaintiff's land was not suited for use as a landfill and would have endangered one or more aquifers supplying water to the City of Houston. Plaintiff did not appeal the denial of that application. The suit seeks \$106.5 million in damages, trebled under the federal statute. In addition, on March 2, 1982, the same plaintiff filed a new action in the same court, against the same defendants but adding as a defendant, an officer/director of the Company, and such action re-alleged the same factual background and claimed the same treble damages, purporting to state a conspiracy claim under 18 U.S.C. §1961-1968. The Company believes that the allegations of these lawsuits are groundless and intends to contest the lawsuits vigorously. Management believes that the ultimate disposition of these lawsuits will not have a materially adverse effect upon the business or consolidated financial position of the Company.

Browning-Ferris Industries of Georgia, Inc. ("BFI of Georgia"), a wholly-owned subsidiary of the Company, has been named as a defendant in a case filed on April 22, 1983, in the United States District Court for the Northern District of Georgia, Atlanta Division. The case, styled Metro Development Corporation, Individually, and as Class Representative v. Browning-Ferris Industries of Georgia, Inc., Georgia Waste Systems, Inc., SCA Services of Georgia, Inc., and Complete Refuse Removal, Inc., follows an indictment returned on May 29, 1980 charging BFI of Georgia and certain of its competitors with conspiracy to violate the antitrust laws. The indictment resulted in pleas of nolo contendere by BFI of Georgia and some of the other defendants and convictions after trial of a corporate co-defendant and an individual co-defendant. Metro Development Corporation seeks to represent a class of all persons or entities who purchased waste disposal services from any of the indicted defendants in the Atlanta area during a five and one-half year period. BFI of Georgia never admitted violating the antitrust laws in the criminal proceedings and intends to contest liability vigorously in the civil case. BFI of Georgia does not believe that the case should be allowed to proceed as a class action and will contest that point vigorously. Based upon representations by BFI of Georgia concerning the amount of business done with any single customer, it appears that in the event the Court rules against class action treatment, any recovery by Metro Development Corporation would not be material. Another case, styled Capital Fish Co. v. Browning-Ferris Industries of Georgia, Inc., has been filed in the same court as the Metro case. It also purports to be a class action and is in all material respects identical to the Metro case. These cases are in the early stages so that it is not possible to estimate the likelihood of class action treatment or the size of the recovery, if any. Management intends to contest vigorously all allegations of these lawsuits. Management believes that the ultimate disposition of these lawsuits will not have a materially adverse effect upon the business or consolidated financial position of the Company.

The Company is involved in various other litigation, governmental proceedings and certain other claims and disputes that could result in litigation, the ultimate disposition of which management believes will not have a materially adverse effect upon the business or consolidated financial position of the Company.

#### Environmental Proceedings

Various administrative and judicial proceedings have been initiated by federal, state or local governmental authorities, against subsidiaries of the Company under provisions



regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment. Management believes that, because of the nature and magnitude of the Company's business and the rapidly changing regulatory environment in which it operates, these proceedings do not constitute an accurate reflection of the Company's operating procedures and capabilities, and are, for the most part, routine and ordinary and neither singly nor in the aggregate will these proceedings have a materially adverse effect upon the business or consolidated financial condition of the Company.

Subsidiaries of the Company are continuously engaged in various other original or renewal permit application proceedings initiated by the Company in connection with the establishment, operation, expansion and post-closure activities relating to its waste disposal facilities, properties and activities. These proceedings, which are a necessary and routine part of the Company's waste systems activities, are held before a variety of regulatory and judicial agencies at the federal, state and local level. In these proceedings, legal challenges are often raised by private parties and regulatory agencies, alleging a variety of adverse consequences (including adverse effects on the environment) if the proposed permits are granted or renewed. Opposition is also often encountered in connection with proposed changes in zoning designations, operating procedures, remedial or upgrading actions, and post-closure activities at waste disposal facilities.

#### **Item 4. Submission of Matters to a Vote of Security Holders.**

During the fourth quarter of the fiscal year covered by this report, no matter was submitted to a vote of security holders.

## **PART II.**

#### **Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters.**

BFI's Common Stock is traded on the New York Stock Exchange, the Midwest Stock Exchange, the Pacific Stock Exchange and The Stock Exchange, England. The high and low sales price of BFI's Common Stock in the New York Stock Exchange - Composite Transactions from January 1, 1981 as reported in the Wall Street Journal, (restated to reflect a three-for-two stock split of BFI's Common Stock distributed January 7, 1983) were as follows:

	1981		1982		1983	
	High	Low	High	Low	High	Low
First Quarter	\$22.25	\$15.25	\$23.17	\$18.08	\$43.38	\$ 32.75
Second Quarter	24.92	20.67	22.92	18.25	47.63	36.63
Third Quarter	23.00	16.08	25.92	16.33	44.25	37.25
Fourth Quarter	22.58	17.83	36.83	24.25	44.38 (1)	36.25 (1)

(1) Through December 20, 1983.

As of December 20, 1983, there were approximately 9,400 holders of record of BFI Common Stock.



BFI has paid cash dividends on its Common Stock each year since 1950. Cash dividends are paid quarterly. The amounts of cash dividends which follow have been restated to reflect a three-for-two stock split of BFI's Common Stock distributed January 7, 1983. During calendar 1982 and 1983, 67 cents and 80 cents, respectively, were paid in dividends on each share of Common Stock. The most recently declared quarterly cash dividend on the Common Stock was 24 cents per share. BFI expects to continue the payment of dividends, although future dividend payments will depend on BFI's earnings, financial needs and other factors. At present, subject to prior rights of stockholders of the Company's Serial Preferred Stock, the payment of dividends or other distributions on, or with respect to, the Common Stock is limited by substantially identical provisions of the Company's bank loan agreement and the provisions of its indentures relating to its outstanding sinking-fund debentures and notes. The amount available for payment of dividends or distributions on or with respect to Common Stock pursuant to the most restrictive of such limitations was approximately \$120,880,000 on September 30, 1983, after giving effect to cash dividends paid or declared through September 30, 1983.

Item 6. - Selected Financial Data

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

The following is a summary of certain consolidated financial information regarding the Company for the five years ended September 30, 1983. The financial information includes, for all periods presented, the effect of significant business combinations accounted for under the pooling-of-interests method. The effect of all other business combinations consummated during the year is reflected from the date of acquisition.

(In Thousands Except for Per Share Amounts)

	Year Ended September 30,				
	1983	1982	1981	1980	1979
Revenues	\$843,545	\$781,523	\$727,109	\$603,524	\$487,593
Net income	\$ 79,679	\$ 66,910	\$ 52,340	\$ 36,769	\$ 30,382
Earnings per common share	\$ 2.40	\$ 2.05	\$ 1.64	\$ 1.22	\$ 1.02
Cash dividends per common share	80¢	67¢	56¢	47¢	40¢
Total assets	\$783,029	\$715,758	\$636,897	\$508,107	\$437,415
Long-term obligations	\$113,180	\$121,731	\$143,455	\$152,289	\$154,832
Working capital	\$ (4,038)	\$ (80)	\$ 42,604	\$ 17,608	\$ 38,770
Property and equipment, net	\$485,258	\$415,648	\$363,064	\$320,156	\$274,998
Common stockholders' equity	\$397,034	\$323,414	\$276,811	\$205,506	\$178,430
Funds provided by operations	\$168,775	\$139,349	\$116,150	\$ 95,582	\$ 80,761

Item 7. - Management's Discussion and Analysis of Financial  
Condition and Results of Operations

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

The Company's overall performance for the year ended September 30, 1983, indicates continued growth, notwithstanding unfavorable economic conditions within its major markets, particularly those for its industrial solid waste collection, chemical waste collection and disposal and industrial cleaning services. By recognizing these events during 1982, the Company was able to lessen their impact through its cost-reduction programs and its market development programs, including expansion into new areas of the country. For the fiscal year ended September 30, 1983, revenues increased 8% and net income 19% over the equivalent amounts for the prior fiscal year. Earnings per share increased by 17%.

With the acquisition of the CECOS/Newco Companies in January 1983, the Company broadened its geographic penetration in the solid waste business into the northeast and Great Lakes areas. More significant, though, were the resources which CECOS International and its affiliated chemical waste companies contributed to the Company. With projections pointing to a dramatic increase in the demand for hazardous waste management services in the future, the CECOS chemical waste operations enable the Company to position itself more firmly in this market.

Working capital ratios: These ratios measure the Company's ability to meet its short-term obligations.

	<u>1983</u>	<u>1982</u>	<u>1981</u>
Working capital (In thousands)	\$ (4,038)	\$ (80)	\$ 42,604
Working capital ratios	1.0:1	1.0:1	1.3:1

Changes in working capital are summarized as follows (In thousands):

	<u>Increase (Decrease)</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Funds provided by operations	\$168,775	\$139,349	\$116,150
Property and equipment, net	(144,255)	(125,983)	(105,991)
Cash dividends	(26,140)	(20,316)	(16,610)
Long-term debt, net	(2,093)	(10,579)	(7,210)
Investments	7,139	(29,988)	--
Due unconsolidated partnership	(4,959)	15,460	--
Reclassification of Series 7A preferred stock	--	(9,979)	--
Sale of common stock, net of expenses	--	--	34,997
Other, net	(2,425)	(648)	3,660
Net change	<u>\$ (3,958)</u>	<u>\$ (42,684)</u>	<u>\$ 24,996</u>

Working capital decreased by \$4.0 million during 1983. The Company continued to utilize its short-term investments in the business. Such investments were \$13.0 million at September 30, 1983, compared to \$30.4 million at September 30, 1982, and \$63.0 million at September 30, 1981. The historically high level of short-term investments at September 30, 1981, reflected in part the \$35.0 million net proceeds received from the sale of 1,575,000 shares of common stock during 1981. The Company's objective continues to be to minimize the funds required for working capital, while maintaining an adequate liquidity position.

The Company maintains an \$80 million unsecured variable rate term bank credit to provide it with an immediate source of funds necessary, beyond those generated internally, for capital expenditures, working capital and other uses. During fiscal year 1983 the Company's average borrowing under the credit was \$7,787,000 at a weighted average interest rate of 11 1/3%. There were \$8 million in borrowings outstanding under the credit at September 30, 1983. Two short-term lines of credit, representing aggregate borrowing capacity of \$10 million each, are available to the Company through June 1984. In addition, the Company believes it has reasonable access to other external sources of debt and equity funds on competitive terms.

Trade accounts receivable (gross) at September 30, 1983, were \$135 million as compared to \$121 million a year ago. Days' sales in receivables for 1983 were 54 days as compared to 56 days for 1982. This decrease is in line with the Company's objective of reducing days' sales in receivables. The allowance for doubtful accounts as a percent of receivables was 3.8% and 4.8%, respectively, at fiscal year-ends 1983 and 1982.

Profitability ratios: These ratios (shown as a percent of revenue or investments) measure management's overall effectiveness.

	<u>1983</u>	<u>1982</u>	<u>1981</u>
Operating profit margin	37.3%	36.7%	33.8%
Income before income taxes and interest	18.1%	17.0%	15.1%
Income before income taxes	17.3%	15.9%	13.4%
Net income	9.4%	8.6%	7.2%
Pre-tax return on total capital	31.9%	30.7%	28.2%
Return on common equity	22.1%	22.1%	21.6%
Average net assets per dollar of revenue	\$ .66	\$ .63	\$ .60

Leverage ratios: These ratios measure the extent to which the Company has been financed by debt.

	<u>1983</u>	<u>1982</u>	<u>1981</u>
Long-term debt to total capital	22%	26%	30%
Net tangible assets to long-term debt	480%	418%	350%
Interest coverage	11.4x	8.5x	6.6x
Funds provided by operations to long-term debt	150%	121%	93%

Internally generated funds in 1983 would have been sufficient to retire the Company's long-term debt in less than one year, if so applied. At the end of 1983 approximately 97% of the Company's total debt was on a long-term, fixed-interest rate basis, on which the weighted average interest rate was approximately 11 3/8%. Thus, changes in short-term interest rates should not have a material impact on the Company.



Additions to property and equipment: The following table summarizes the dollar amount of additions by major asset categories and compares this amount to the level of funds provided by operations (In thousands):

	1983	1982	1981
Land and improvements	\$ 5,323	\$ 4,491	\$ 6,339
Buildings	11,045	7,648	8,732
Landfills	40,385	15,684	11,524
Vehicles and equipment	84,927	102,000	87,482
Construction-in-progress	8,730*	2,332*	213*
Total Additions	<u>\$150,410</u>	<u>\$132,155</u>	<u>\$114,290</u>
Funds provided by operations	<u>\$168,775</u>	<u>\$139,349</u>	<u>\$116,150</u>

\* Represents net change

The capital appropriations budget for fiscal 1984 has been established at \$194 million, of which \$119 million is appropriated to provide for normal replacement requirements and for new assets to support planned revenue growth within existing operations. The balance of \$75 million is allocated primarily to corporate development activities, which include new municipal contracts, new solid and chemical waste processing and disposal sites and selected business acquisitions.

The results of the effect of changing prices on the Company can be found in Note 13 to the Financial Statements.

#### Results of Operations

Revenues: The Company's revenues increased \$123.6 million (20%), \$54.4 million (7%) and \$62.0 million (8%) during 1981, 1982 and 1983, respectively. The increases resulted primarily from the expansion of existing services, price increases and the addition of businesses in new market areas. The following table reflects the percentage contribution to the Company's total revenues from waste services and from all other operations for the years indicated.

	1983	1982	1981
Waste Services:			
Solid Waste Commercial & Industrial Collection	59%	57%	55%
Solid Waste Residential Collection	18%	17%	16%
Solid Waste Processing & Disposal	11%	12%	10%
Chemical Waste Collection & Disposal	9%	10%	13%
Other	3%	4%	6%



While there was an increase in revenues derived from solid waste operations (commercial and industrial collection, residential collection, and processing and disposal) of approximately 11% for fiscal year 1983 over fiscal year 1982, there was a decrease in chemical waste collection and disposal revenue of approximately 5%. Industrial cleaning revenue, included under "Other", decreased approximately 20% in the fiscal year ended September 30, 1983 over the prior fiscal year. Both the decline in chemical waste revenue and industrial cleaning revenue reflect in large part the impact of the recession on the petrochemical and refining industries, both of which are major customers for these services.

The customer base for North American solid waste collection services expanded from approximately 1,918,000 residential and 250,000 commercial/industrial customers in 1981 to approximately 2,230,000 and 313,000, respectively, in 1983.

Cost of Operations: Cost of operations increased \$71.6 million (17%), \$13.9 million (3%) and \$33.7 million (7%) during fiscal year 1981, 1982 and 1983, respectively. As a percentage of revenues the cost of operations for each of the three fiscal years was 66.2% in 1981, 63.3% in 1982, and 62.7% in 1983. The improvement for fiscal year 1983 reflects in large part the Company's emphasis on cost control and productivity.

Selling, General and Administrative: This category increased \$29.5 million (28%), \$17.8 million (13%) and \$8.5 million (6%) during fiscal 1981, 1982 and 1983, respectively. As a percentage of revenues these expenses have increased from 18.7% in 1981, to 19.7% in 1982, and declined to 19.2% in 1983.

Interest Expense: Interest expense decreased \$2.8 million (14%) during fiscal 1981, \$1.0 million (6%) in fiscal 1982 and again by \$2.3 million (15%) in fiscal 1983. The decreases were principally a result of the lower average levels of debt and the capitalization of \$565,000, \$719,000, and \$1,520,000 of interest cost, which was added to property and equipment during fiscal years 1981, 1982, and 1983, respectively, in accordance with Financial Accounting Standards Board Statement No. 34, "Capitalization of Interest Cost."

Interest Income: Interest income increased by \$3.9 million in fiscal year 1981 and \$3.1 million in fiscal year 1982 as a result of interest received on interest-bearing short-term investments. As the Company decreased its level of short-term investments in fiscal year 1983, interest income declined by \$973,000 to \$6.4 million in fiscal year 1983.

## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Browning-Ferris Industries, Inc.:

We have examined the consolidated balance sheet of Browning-Ferris Industries, Inc. (a Delaware corporation) and subsidiaries as of September 30, 1983 and 1982, and the related consolidated statement of income, retained earnings, capital stock and additional paid-in capital, and changes in financial position for each of the three years in the period ended September 30, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of Browning-Ferris Industries, Inc. and subsidiaries as of September 30, 1983 and 1982, and the results of their operations and the changes in their financial position for each of the three years in the period ended September 30, 1983, in conformity with generally accepted accounting principles applied on a consistent basis.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules II, V, VI and VIII listed in the index of financial statements are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN & CO.

Houston, Texas,  
December 7, 1983.

Item 8. - Financial Statements and Supplemental Data

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

For the Three Years Ended September 30, 1983  
(In Thousands Except for Per Share Amounts)

	Year Ended September 30,		
	1983	1982	1981
Revenues	\$843,545	\$781,523	\$727,109
Cost of operations	<u>528,651</u>	<u>494,940</u>	<u>481,067</u>
Operating profit	314,894	286,583	246,042
Selling, general and administrative expense	162,351	153,876	136,125
Interest expense	13,324	15,616	16,645
Interest income	<u>(6,446)</u>	<u>(7,419)</u>	<u>(4,350)</u>
Income before income taxes	145,665	124,510	97,622
Income taxes (Note 12)	<u>65,986</u>	<u>57,600</u>	<u>45,282</u>
Net income	<u>\$ 79,679</u>	<u>\$ 66,910</u>	<u>\$ 52,340</u>
Number of common and common equivalent shares used in computing earnings per share (Note 8)	<u>32,995</u>	<u>32,374</u>	<u>31,519</u>
Earnings per common and common equivalent share	<u>\$ 2.40</u>	<u>\$ 2.05</u>	<u>\$ 1.64</u>
Cash dividends per common share	<u>80¢</u>	<u>67¢</u>	<u>56¢</u>

The accompanying notes are an integral part of these financial statements.

## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

ASSETS  
(In Thousands)

	September 30,	
	1983	1982
<b>CURRENT ASSETS:</b>		
Cash	\$ 10,367	\$ 7,591
Short-term investments	12,974	30,429
Investments, at cost, pledged, current portion (Note 4)	11,168	16,689
Receivables -		
Trade, net of allowances of \$5,152 and \$5,758 for doubtful accounts	129,433	115,211
Employees	881	1,004
Other	5,298	4,531
Inventories (Note 1)	11,059	11,641
Prepayments	10,345	8,523
Total current assets	\$191,525	\$195,619
 <b>PROPERTY AND EQUIPMENT, at cost, less accumulated depreciation of \$296,330 and \$239,331 (Notes 3 and 5)</b>	 485,258	 415,648
 <b>OTHER ASSETS:</b>		
Cost over fair value of net tangible assets of acquired businesses, net of accumulated amortization of \$6,690 and \$5,886 (Note 1)	27,315	23,229
Other intangible assets, net of accumulated amortization of \$7,389 and \$4,135 (Note 1)	17,732	15,809
Solid waste revenue bond funds held for future acquisition of property and equipment (Note 5)	4,261	6,202
Investments, at cost, pledged (Note 4)	22,849	29,988
Other	34,089	29,263
Total assets	<u>\$783,029</u>	<u>\$715,758</u>

The accompanying notes are an integral part of these financial statements.



## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

LIABILITIES AND STOCKHOLDERS' EQUITY  
(In Thousands)

	September 30,	
	1983	1982
<b>CURRENT LIABILITIES:</b>		
Current notes payable (Note 5)	\$ 4,479	\$ 9,566
Current portion of long-term debt (Note 5)	9,407	13,728
Accounts payable	38,790	36,874
Accrued liabilities -		
Salaries and wages	12,737	12,093
Taxes, other than income	6,031	6,173
Other	63,913	58,354
Income taxes	15,042	21,341
Deferred revenues	37,138	27,591
Redeemable Series 7A preferred stock (Note 7)	6,489	9,979
Net amount due unconsolidated partnership, current portion (Note 4)	<u>1,537</u>	<u>--</u>
Total current liabilities	<u>\$195,563</u>	<u>\$195,699</u>
NET AMOUNT DUE UNCONSOLIDATED PARTNERSHIP (Note 4)	<u>10,501</u>	<u>15,460</u>
DEFERRED ITEMS -- income taxes, investment tax credit and other items (Note 1)	<u>66,751</u>	<u>59,454</u>
LONG-TERM DEBT, net of current portion (Note 5)	<u>112,888</u>	<u>114,981</u>
COMMITMENTS AND CONTINGENCIES (Notes 5, 6, and 10)		
REDEEMABLE PREFERRED STOCK (Note 7)	<u>292</u>	<u>6,750</u>
<b>COMMON STOCKHOLDERS' EQUITY:</b>		
Common stock, \$.16 2/3 par; 100,000,000 shares authorized at September 30, 1983, and 40,000,000 shares authorized at September 30, 1982; 33,579,819 and 31,904,254 shares issued (Note 8)	5,597	5,316
Additional paid-in capital	132,313	111,246
Retained earnings (Notes 5 and 9)	259,211	206,939
Treasury stock 419,232 common shares (Note 8)	<u>(87)</u>	<u>(87)</u>
Total common stockholders' equity	<u>\$397,034</u>	<u>\$323,414</u>
Total liabilities and stockholders' equity	<u>\$783,029</u>	<u>\$715,758</u>

The accompanying notes are an integral part of these financial statements.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the Three Years Ended September 30, 1983  
(In Thousands)

	Year Ended September 30,		
	1983	1982	1981
Beginning balance, as previously reported	\$201,510	\$160,756	\$128,904
Amounts applicable to pooled companies	<u>5,429</u>	<u>5,138</u>	<u>4,743</u>
Beginning balance, as restated	\$206,939	\$165,894	\$133,647
Net income	79,679	66,910	52,340
Net income of pooled companies for omitted periods	274	--	--
Cash dividends:			
Serial preferred stock	(589)	(1,028)	(1,094)
Common stock	(25,551)	(19,288)	(15,516)
Dividends and other transactions of pooled companies prior to acquisition	(1,809)	(3,942)	(3,483)
Foreign currency translation adjustment	<u>268</u>	<u>(1,607)</u>	<u>--</u>
Ending balance	<u>\$259,211</u>	<u>\$206,939</u>	<u>\$165,894</u>

The accompanying notes are an integral part of these financial statements.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CAPITAL STOCK  
AND ADDITIONAL PAID-IN CAPITAL

For the Three Years Ended September 30, 1983  
(Amount Columns In Thousands)

	Serial Convertible Preferred Stock, No Par		Common Stock, \$.16 2/3 Par		Additional Paid-In Capital
	Shares	Amount	Shares	Amount	
BALANCE, September 30, 1980, as previously reported	385,414	\$ 19,675	27,035,783	\$ 4,506	\$ 67,145
Amounts applicable to pooled companies	--	--	2,426,279	402	(108)
BALANCE, September 30, 1980, as restated	385,414	19,675	29,462,062	4,908	67,037
Stock options exercised	--	--	305,257	51	2,098
Sale of common stock, net of expenses	--	--	1,575,000	263	34,734
Conversion of serial preferred stock into common stock	(25,378)	(1,673)	156,606	26	1,647
Income tax benefit of stock options exercised	--	--	--	--	659
Other transactions of pooled companies prior to acquisition	--	--	--	--	(420)
BALANCE, September 30, 1981	360,036	18,002	31,498,925	5,248	105,755
Stock options exercised	--	--	168,012	28	1,286
Common stock issued in acquisitions	--	--	97,880	17	111
Conversion of serial preferred stock into common stock	(25,456)	(1,273)	139,437	23	1,250
Income tax benefit of stock options exercised	--	--	--	--	1,522
Other transactions of pooled companies prior to acquisition	--	--	--	--	1,322
BALANCE, September 30, 1982	334,580	16,729	31,904,254	5,316	111,246
Stock options exercised	--	--	290,368	49	2,625
Common stock issued in acquisitions	--	--	739,943	124	7,928
Conversion of serial preferred stock into common stock	(129,151)	(6,458)	645,254	108	6,348
Redemption of serial preferred stock	(69,798)	(3,490)	--	--	--
Income tax benefit of stock options exercised	--	--	--	--	3,222
Other transactions of acquired businesses	--	--	--	--	944
BALANCE, September 30, 1983	<u>135,631</u>	<u>\$ 6,781</u>	<u>33,579,819</u>	<u>\$ 5,597</u>	<u>\$132,313</u>

The accompanying notes are an integral part of these financial statements.

## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Three Years Ended September 30, 1983  
(In Thousands)

	Year Ended September 30,		
	1983	1982	1981
<b>SOURCE OF FUNDS:</b>			
Operations -			
Net income	\$ 79,679	\$ 66,910	\$ 52,340
Items not requiring outlay of working capital:			
Depreciation and amortization	89,677	77,172	65,763
Provision for deferred income taxes	4,598	(258)	2,006
Amortization of deferred investment tax credit	(5,179)	(4,475)	(3,959)
Total from operations	<u>168,775</u>	<u>139,349</u>	<u>116,150</u>
Change in net amount due unconsolidated partnership	(4,959)	15,460	--
Increase in long-term debt	21,160	809	49,635
Sale of common stock, net of expenses	--	--	34,997
Sales and retirements of property and equipment, net	6,155	6,172	8,299
Investment tax credit	4,957	6,848	8,515
Tax benefit of stock options exercised	3,222	1,522	659
Stock options exercised	2,674	1,314	2,149
Other, net	6,746	180	(1,317)
	<u>208,730</u>	<u>171,654</u>	<u>219,087</u>
<b>APPLICATION OF FUNDS:</b>			
Additions to property and equipment	150,410	132,155	114,290
Additions to property and equipment of various acquisitions, net	9,813	--	--
Cash dividends	26,140	20,316	16,610
Change in goodwill	4,890	(250)	38
Increase in other intangible assets	5,321	10,762	6,308
Decrease in long-term debt	23,253	11,388	56,845
Change in investments, at cost, pledged	(7,139)	29,988	--
Reclassification of Series 7A preferred stock	--	9,979	--
	<u>212,688</u>	<u>214,338</u>	<u>194,091</u>
CHANGE IN WORKING CAPITAL	(3,958)	(42,684)	24,996
WORKING CAPITAL, beginning of year	(80)	42,604	17,608
WORKING CAPITAL, end of year	<u>\$ (4,038)</u>	<u>\$ (80)</u>	<u>\$ 42,604</u>
<b>CHANGE IN WORKING CAPITAL BY COMPONENT:</b>			
Cash	\$ 2,776	\$ (3,312)	\$ (1,870)
Short-term investments	(17,455)	(32,523)	62,952
Investments, at cost, pledged, current portion	(5,521)	16,689	--
Receivables	14,866	4,897	19,574
Inventories and prepayments	1,240	1,262	196
Current notes payable and current portion of long-term debt	9,408	(1,773)	(7,062)
Accounts payable and accrued liabilities	(7,977)	(8,006)	(25,024)
Income taxes and deferred revenues	(3,248)	(9,939)	(23,770)
Other current liabilities	<u>1,953</u>	<u>(9,979)</u>	<u>--</u>
CHANGE IN WORKING CAPITAL	<u>\$ (3,958)</u>	<u>\$ (42,684)</u>	<u>\$ 24,996</u>

The accompanying notes are an integral part of these financial statements.



## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS - (Continued)

## (2) Business combinations -

During the year ended September 30, 1983, the Company issued 2,426,000 shares of its common stock to acquire six businesses accounted for as poolings-of-interests for which the Company's prior financial statements were restated. The acquired businesses included the CECOS/Newco Companies which the Company acquired for 2,272,500 shares of its common stock.

An additional 740,000 shares of common stock were issued to acquire fourteen other businesses of which twelve were accounted for as poolings-of-interests, and two were accounted for as purchases. Since the effect of these acquisitions was not material, the prior financial statements were not restated.

The following table reflects the impact of business combinations accounted for as poolings-of-interests (In thousands):

	Year Ended September 30,		
	1983	1982	1981
<u>Revenues</u>			
Amounts applicable to entities owned in fiscal 1982	\$778,576	\$714,945	\$660,670
Businesses combined and treated as poolings-of-interests after September 30, 1982	64,969	66,578	66,439
	<u>\$843,545</u>	<u>\$781,523</u>	<u>\$727,109</u>
<u>Net Income</u>			
Amounts applicable to entities owned in fiscal 1982	\$ 74,318	\$ 62,677	\$ 48,462
Businesses combined and treated as poolings-of-interests after September 30, 1982	5,361	4,233	3,878
	<u>\$ 79,679</u>	<u>\$ 66,910</u>	<u>\$ 52,340</u>

For certain business combinations accounted for as poolings-of-interests during 1983, the Company received additional income tax basis based on the fair market values of the acquired assets. The effect of the additional income tax basis will be reflected as an adjustment to additional paid-in capital as the amounts are realized on the income tax returns.

## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS - (Continued)

## (3) Property and equipment -

Property and equipment at September 30, 1983 and 1982, were as follows (In thousands):

	<u>1983</u>	<u>1982</u>
Land and improvements	\$ 35,251	\$ 31,482
Buildings	60,127	49,012
Landfills	128,275	88,973
Vehicles and equipment	543,661	479,968
Construction-in-progress	14,274	5,544
	<u>\$781,588</u>	<u>\$654,979</u>
Less - accumulated depreciation	296,330	239,331
	<u>\$485,258</u>	<u>\$415,648</u>

A portion of the property and equipment is pledged as security for long-term debt (see Note 5).

## (4) Municipality of Riyadh, Saudi Arabia Contract -

A wholly owned subsidiary of the Company owns 50 percent of a partnership which entered into a contract to provide collection, street sweeping, litter control and landfill services for the Municipality of Riyadh, Saudi Arabia. The contract provides for payment to the partnership of \$233.3 million over a five-year period which commenced when services began in November 1982. The partnership received an advance payment of \$46.7 million from the Municipality, representing 20% of the contract amount.

The partnership loaned, on a non-interest bearing basis, the advance payment to the wholly owned subsidiary of the Company, which issued an irrevocable letter of credit to the Municipality to secure the advance payment. The wholly owned subsidiary then invested the proceeds of the loan in various instruments which are pledged to secure the letter of credit. Repayment of this loan to the partnership began in 1982 and will be carried out over a five-year period based on the cash requirements of the partnership. At September 30, 1983, the net amount owed the partnership is \$12,038,000.

During fiscal year 1983, the Municipality paid invoices for contracted services and equipment. The Municipality withheld 20% of invoiced amounts in remitting payment. As the Municipality recouped its 20% advance payment through reductions in invoiced amounts, the irrevocable letter of credit was reduced proportionately. At September 30, 1983, \$34,017,000 of the advanced payment remains restricted by the letter of credit.

The wholly owned subsidiary's investment in the partnership is accounted for by the equity method. Profits, including the interest earned by investment of that portion of the pledged advance payment in excess of working capital required by the partnership, are being recorded using the percentage of completion method over the service phase of the contract based on the cost of the service portion of the contract, and are included in revenues.

## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## NOTES TO FINANCIAL STATEMENTS - (Continued)

## (5) Long-term debt -

Long-term debt at September 30, 1983 and 1982, was (In thousands):

	1983	1982
Solid waste revenue bond obligations	\$ 35,435	\$ 37,215
Term bank credit	8,000	--
Sinking fund debentures	34,025	36,552
Notes, 12 7/8%	25,000	25,000
Unsecured term loan	5,600	8,800
Other notes payable	10,957	17,893
Mortgages payable, 6½% - 11½%, secured by deeds of trust	3,278	3,249
Total long-term debt	\$122,295	\$128,709
Less current portion	9,407	13,728
Long-term portion	<u>\$112,888</u>	<u>\$114,981</u>

The long-term portion of the debt outstanding at September 30, 1983, assuming the \$8,000,000 of indebtedness under the term bank credit is converted to a term loan, matures as follows: 1985, \$14,976,000; 1986, \$11,388,000; 1987, \$32,237,000; 1988, \$6,771,000 and in subsequent years, \$47,516,000. Under the most restrictive covenants of the Company's long-term debt agreements, \$120,880,000 of retained earnings was available for dividends as of September 30, 1983.

It is the Company's practice to maintain bank accounts with lending banks through which cash disbursements and remittances are made in the ordinary course of business. The cash balances in these operating accounts may also serve as compensating balances for loans and various services provided by the banks.

Term bank credit. The Company has an \$80 million unsecured term bank credit with RepublicBank Dallas (the "Bank") and other banks, which may be increased to \$120 million upon the participation of additional banks. The revolving credit extends to April 30, 1984, at which time outstanding indebtedness under the agreement may be converted by the Company into a five-year term loan payable in 20 consecutive equal quarterly installments. Interest on outstanding indebtedness is computed at the Domestic rate, the Eurodollar rate or a combination thereof, as the Company may elect, as follows:

Domestic rate: Through April 30, 1984 the interest is computed at a rate equal to 7/8% above the Bank's prime rate. Interest on any term loan will be computed at a rate 1% above the Bank's prime rate.

Eurodollar rate: Under certain conditions, the Company may direct that this rate apply to all or any portion of the unpaid principal balance. Through April 30, 1984 interest on any amounts so designated would be at a rate 1¼% above the rate at which deposits in United States dollars are offered to the principal office of the Bank in London, England in the London Interbank Market.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS - (Continued)

Through April 30, 1984, the Company must pay a fee at the annual rate of  $\frac{1}{2}\%$  on the average daily unused amount of the total revolving credit.

Under this bank credit, the Company is (i) required to maintain certain balance sheet ratios, (ii) subject to restrictions on amounts of lease payments and limitations on debt and certain liens and security interests, (iii) subject to limitations on the amount of cash dividends and redemption of stock and (iv) obligated to make certain reports periodically to the banks. The credit agreement contains additional warranties and covenants that must be complied with on a continuing basis. Default on any warranty or covenant could affect the commitment to lend under the agreement, and, if not corrected, could accelerate the maturity of any borrowings outstanding under the agreement.

Unsecured term loan. Warranties and covenants similar to those contained in the term bank credit agreement are contained in the unsecured term loan agreement with the Bank and other banks. The loan is being repaid in 20 consecutive equal quarterly installments, with the first having been made on October 1, 1980, and the last to be made on May 31, 1985. The loan bears interest at the annual rate of 8.5%.

Sinking fund debentures. Annual mandatory sinking fund requirements of \$2.6 million commenced June 1, 1982 on the debentures, which bear interest at  $10\frac{1}{4}\%$ . Interest is payable semi-annually on the debentures. The debentures are unsecured general obligations of the Company issued under an indenture, under which the Company is subject to limitations and requirements similar to those of the term bank credit and unsecured term loan agreements.

Solid waste revenue bond obligations. Certain subsidiaries of the Company have entered into agreements under which they receive proceeds from the sale by government authorities of solid waste revenue bonds. The subsidiaries are obligated to make payments sufficient to pay the interest and retire the bonds. The weighted average interest rate of these issues is approximately  $8\frac{1}{3}\%$ . The weighted average remaining term is approximately 7 years at September 30, 1983. Substantially all the assets acquired or constructed with the proceeds from these bond issues secure repayment of the bonds. The obligations of the subsidiaries are unconditionally guaranteed by the Company. Additionally, the Company has guaranteed \$7,500,000 of solid waste revenue bonds of an unconsolidated partnership.

Notes. The notes bear interest at  $12\frac{7}{8}\%$  and are due February 1, 1987. The notes may be redeemed at par at the option of the Company at anytime after February 1, 1984. Interest is payable semi-annually on February 1 and August 1. The notes are unsecured general obligations of the Company issued under an indenture under which the Company is subject to limitations and requirements similar to those above under the term bank credit and unsecured term loan agreements.

Short-term bank loans. The Company and its subsidiaries have several informal short-term borrowing arrangements under which average borrowings during fiscal 1983 and 1982 were \$5,878,000 and \$8,534,000, respectively. For fiscal year 1983 the weighted average interest rate on these borrowings was approximately  $10\frac{5}{8}\%$ . Maximum borrowings reached \$15,865,000, with an aggregate year-end balance outstanding of \$2,865,000 at an interest rate of  $10\frac{7}{8}\%$ .



BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS - (Continued)

(6) Commitments and contingencies -

The Company and its subsidiaries lease substantial portions of their office and shop space under various lease agreements with aggregate future payments of approximately \$38,920,000. At September 30, 1983, total minimum rental commitments becoming payable under all noncancellable operating leases during each of the five succeeding fiscal years are as follows: 1984, \$6,555,000; 1985, \$5,952,000; 1986, \$5,335,000; 1987, \$4,907,000; and 1988, \$4,045,000. Amounts payable for each of the next three five-year periods subsequent to 1988 are as follows: 1989-1993, \$9,069,000; 1994-1998, \$1,596,000, 1999-2003, \$188,000 and for all years thereafter, \$1,273,000. Total rental expenses for fiscal years 1983, 1982, and 1981, substantially all of which related to fixed amount rental agreements were \$14,144,000, \$12,528,000, and \$11,280,000.

The Company is a defendant in two related lawsuits, collectively labeled as Conservation Management, Inc. vs. Browning-Ferris, Inc., et al. The lawsuits allege that the Company and others have engaged in certain anticompetitive practices in the Houston, Texas solid waste landfill market in violation of federal antitrust laws. The lawsuits seek \$106.5 million in damages, trebled under the federal statute. The Company believes that the lawsuits are groundless and intends to contest the lawsuits vigorously. In the opinion of management, the lawsuits ultimately will be disposed of in a manner which will not have a material adverse effect upon the business or consolidated financial position of the Company. The Company is involved in other litigation, governmental proceedings and certain other claims and disputes that could result in additional litigation, the ultimate disposition of which management believes will not have a materially adverse effect upon the business or consolidated financial position of the Company.

(7) Redeemable preferred stock -

At September 30, 1983, the Company had outstanding Series 7 redeemable preferred stock. Series 7 stock is entitled to a cumulative preferential 6% dividend (\$3.00 per share per year). Series 7 stock is divided into two subseries, Subseries A and Subseries B. Subseries B stock is convertible into five shares of common stock, except as set forth below. Subseries A stock may be converted only if called for redemption. Series 7 stock became redeemable at the election of the holder on August 31, 1983. Generally there is no right to call either Subseries A stock or Subseries B stock for redemption prior to September 1, 1988, or September 1, 1993, respectively. If Series 7 stock is called for redemption, Subseries A becomes convertible at a per share conversion rate determined by dividing \$50.00 by the then market price of common stock of the Company and Subseries B becomes convertible at a per share conversion rate determined by dividing \$50.00 by the lower of \$10.00 or the then market price of common stock of the Company.

During fiscal 1983, 69,798 shares of Series 7 stock were redeemed at the election of its holders. Assuming that the remaining holders elected to redeem their preferred stock for cash during the forthcoming fiscal year, cash requirements for this purpose would amount to \$6,781,000.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS - (Continued)

The following number of shares in each series of the Company's voting serial preferred stock were outstanding at September 30, 1983:

	<u>Shares Authorized</u>	<u>Shares Issued</u>	<u>Outstanding</u>	
			<u>Shares</u>	<u>Amount (In Thousands)</u>
Series 7A	200,000	199,580	129,784	\$ 6,489
Series 7B	<u>200,000</u>	<u>199,580</u>	<u>5,847</u>	<u>292</u>
	<u>400,000</u>	<u>399,160</u>	<u>135,631</u>	<u>\$ 6,781</u>

(8) Common stock -

Earnings per share. The following table reconciles the number of common shares shown as outstanding on the consolidated balance sheet with the number of common and common equivalent shares used in computing earnings per share (In thousands):

	<u>Year Ended September 30,</u>		
	<u>1983</u>	<u>1982</u>	<u>1981</u>
Common shares outstanding	33,161	31,484	31,079
Serial preferred stock considered as common share equivalents	192	675	815
Effect of using weighted average common and common equivalent shares outstanding	(840)	(171)	(1,125)
Effect of shares issuable under stock option plans	<u>482</u>	<u>386</u>	<u>750</u>
Shares used in computing earnings per share	<u>32,995</u>	<u>32,374</u>	<u>31,519</u>

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS - (Continued)

Earnings per common and common equivalent share were computed by dividing net income, after deducting dividend requirements on serial preferred stock that is not considered a common stock equivalent, by the weighted average number of shares of common stock and common stock equivalents outstanding during each year. Preferred dividend requirements and amortization of discount so deducted amounted to \$591,000 for the fiscal year ended September 30, 1983, and \$599,000 for each of the two preceding fiscal years. The effect of options to purchase common stock under the Company's stock option plans, which was included in all years when the effect was dilutive, was determined using the treasury stock method. The difference between primary and fully diluted earnings per share was not significant in any year.

Stock option plans. The exercise price, term and other conditions applicable to each option granted under the stock option plans are generally determined by the Compensation Committee of the Board of Directors at the time of the grant of each option and may vary with each option granted. The Company maintains an incentive stock option plan covering options to purchase up to 450,000 shares of common stock, which may be granted to officers and other key employees at the average market price on the date of grant. At September 30, 1983, 341,000 shares were outstanding under this plan and 104,000 shares were available for future grants. Generally, the options which cover a ten-year period become exercisable during the first five years at a rate of 20% per year on a cumulative basis. In addition, options covering 450 common shares remain outstanding from earlier qualified stock option plans. No accounting entries are made until the options are exercised, at which time the Company records the par value of the stock issued in the common stock account with the remainder of the proceeds being credited to additional paid-in capital.

Under the Company's non-qualified stock option plans, options to purchase up to 1,950,000 shares of common stock may be granted to directors, key employees and other persons affiliated with the Company. At September 30, 1983, 1,123,000 shares were outstanding under the non-qualified stock option plans and 123,000 shares were available for future grants.

Transactions under all plans are summarized below:

	1983	1982	1981
Options outstanding at beginning of year	1,391,255	1,475,019	1,292,757
Options granted	376,233	107,723	515,514
Options terminated	(13,068)	(23,475)	(27,995)
Options exercised	(290,368)	(168,012)	(305,257)
Options outstanding at end of year	1,464,052	1,391,255	1,475,019
Options exercisable at end of year	780,035	773,951	648,918
Options available for future grants at end of year	227,484	590,648	225,645
Total option price of options outstanding at end of year	\$27,377,642	\$16,252,572	\$15,698,372
Option price range	\$6.00-\$43.06	\$6.00-\$23.63	\$6.00-\$23.63



BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS - (Continued)

Treasury stock. During a prior year, the Company acquired an affiliated company which owned shares of the Company's stock. Of the 419,232 shares of common stock held in treasury by the Company at September 30, 1983, 414,345 are carried at their aggregate par value of \$69,057, and 4,887 shares received in partial settlement of a receivable are carried at \$18,000, the market value at settlement date.

At September 30, 1983, the Company had reserved 29,235 shares of its common stock for issuance upon conversion of serial preferred stock and 1,691,536 shares for issuance under the stock option plans.

Employee stock ownership plan. In 1981 the Company adopted the "BFI Employee Stock Ownership Plan" as permitted by the Internal Revenue Code. The Company is entitled to deduct in its federal income tax return an additional 1% investment tax credit (basic contribution) if an equivalent amount is contributed to a qualified employee stock ownership plan. In order to claim a further ½% investment tax credit (matching contribution), the Company matches the members' voluntary contributions, which are limited to a maximum amount specified by the Company each year. During the fiscal years ended September 30, 1983 and 1982, the Company contributed \$1,149,000 and \$1,009,000 based on investment tax credits.

The Company funds the basic and matching contribution in June following each Plan year-end. In the event the amount of the matching contribution is not sufficient to match members' voluntary contributions, the Company makes additional contributions to the Plan. The additional contributions in fiscal years 1983 and 1982 were \$254,000 and \$189,000, respectively.

(9) Foreign currency disclosure -

The Company's financial statements, beginning with those for the fiscal year 1982, have been adjusted in accordance with "Statement of Financial Accounting Standards, 152, Foreign Currency Translation" (Statement 52). Changes in the equity component for each period's translation adjustments are as follows:

	Year Ended September 30,	
	1983	1982
Beginning cumulative translation adjustments	\$ (1,606,910)	\$ (971,725)*
Period translation adjustments	267,659	(635,185)
Ending cumulative translation adjustments	<u>\$ (1,339,251)</u>	<u>\$ (1,606,910)</u>

\* Effect of translating foreign assets and liabilities as of the beginning of the year for which Statement 52 was first applied.



BY: /s/ Oscar M. Holland  
Oscar M. Holland,  
Senior Vice President, Controller  
and Chief Accounting Officer

BY: /s/ Edward Drury  
Edward Drury, Director

BY: /s/ C. Jackson Grayson, Jr.  
C. Jackson Grayson, Jr., Director

BY: /s/ Joseph R. Hyde, III  
Joseph R. Hyde, III, Director

BY: /s/ Plato Malozemoff  
Plato Malozemoff, Director

BY: /s/ L. F. McCollum  
L. F. McCollum, Director

BY: /s/ John J. Scanlon  
John J. Scanlon, Director

BY: /s/ R. John Stanton, Jr.  
R. John Stanton, Jr., Director

BY: /s/ Haskell I. Stovroff  
Haskell I. Stovroff, Director

BY: /s/ Louis A. Waters  
Louis A. Waters, Director

Date: December 22, 1983.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report dated December 7, 1983, included in this Form 10-K, into the Browning-Ferris Industries, Inc. Form S-8 Registration Statement File No. 2-76782.

ARTHUR ANDERSEN & CO.

Houston, Texas,  
December 7, 1983.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### BROWNING-FERRIS INDUSTRIES, INC. (Registrant)

DATE: December 22, 1983

BY: /s/ Harry J. Phillips, Sr.  
Harry J. Phillips, Sr.,  
Chairman of the Board,  
Chief Executive Officer  
and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

BY: /s/ Harry J. Phillips, Sr.  
Harry J. Phillips, Sr.,  
Chairman of the Board,  
Chief Executive Officer  
and Director

BY: /s/ John E. Drury  
John E. Drury, President,  
Chief Operating Officer and Director

BY: /s/ Norman A. Myers  
Norman A. Myers, Vice Chairman,  
Chief Marketing Officer and Director

BY: /s/ George R. Farris  
George R. Farris, Executive Vice President,  
Chief Financial Officer  
and Director

BY: /s/ Howard S. Hoover, Jr.  
Howard S. Hoover, Jr.,  
Senior Vice President,  
General Counsel and Director

## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## ALLOWANCE FOR DOUBTFUL ACCOUNTS

For the Three Years Ended September 30, 1983  
(In Thousands)

	Balance Beginning of Year	Additions Charged to Income	Deductions from Reserves	Balance End of Year
1983	\$ 5,758	\$ 7,000	\$(7,605)	\$ 5,152
1982	\$ 5,073	\$ 6,943	\$ (6,258)	\$ 5,758
1981	\$ 3,990	\$ 4,116	\$ (3,033)	\$ 5,073



BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
ACCUMULATED DEPRECIATION OF PROPERTY AND EQUIPMENT

For the Three Years Ended September 30, 1983  
(In Thousands)

	Balance Beginning of Year	Additions Charged to Income	Additions of Pooled Companies Not Restated	Sales, Retirements or Transfers	Balance End of Year
1983 -					
Land and improvements	\$ 2,806	\$ 1,696	\$ --	\$ (684)	\$ 3,818
Buildings	9,861	2,987	366	(1,310)	11,904
Landfills	25,081	9,184	--	(548)	33,717
Vehicles and equipment	<u>201,583</u>	<u>71,408</u>	<u>9,151</u>	<u>(35,251)</u>	<u>246,891</u>
	<u>\$239,331</u>	<u>\$ 85,275</u>	<u>\$ 9,517</u>	<u>\$(37,793)</u>	<u>\$296,330</u>
Less amounts applicable to omitted periods		817			
		<u>\$ 84,458</u>			
1982 -					
Land and improvements	\$ 2,334	\$ 810	\$ --	\$ (338)	\$ 2,806
Buildings	7,992	2,518	--	(649)	9,861
Landfills	16,151	6,719	--	2,211	25,081
Vehicles and equipment	<u>171,359</u>	<u>63,352</u>	<u>--</u>	<u>(33,128)</u>	<u>201,583</u>
	<u>\$197,836</u>	<u>\$ 73,399</u>	<u>\$ --</u>	<u>\$(31,904)</u>	<u>\$239,331</u>
1981 -					
Land and improvements	\$ 3,026	\$ 973	\$ --	\$ (1,665)	\$ 2,334
Buildings	7,415	2,077	--	(1,500)	7,992
Landfills	9,398	6,126	--	627	16,151
Vehicles and equipment	<u>145,962</u>	<u>53,907</u>	<u>--</u>	<u>(28,510)</u>	<u>171,359</u>
	<u>\$165,801</u>	<u>\$ 63,083</u>	<u>\$ --</u>	<u>\$(31,048)</u>	<u>\$197,836</u>

## BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

## PROPERTY AND EQUIPMENT

For the Three Years Ended September 30, 1983  
(In Thousands)

	Balance Beginning of Year	Additions at Cost	Additions of Pooled Companies Not Restated	Sales, Retirements or Transfers	Balance End of Year
1983 -					
Land and improvements	\$ 31,482	\$ 5,323	\$ 549	\$ (2,103)	\$ 35,251
Buildings	49,012	11,045	1,333	(1,263)	60,127
Landfills	88,973	40,385	--	(1,083)	128,275
Vehicles and equipment	479,968	84,927	17,448	(38,682)	543,661
Construction-in-progress	<u>5,544</u>	<u>8,730*</u>	<u>--</u>	<u>--</u>	<u>14,274</u>
	<u>\$654,979</u>	<u>\$150,410</u>	<u>\$ 19,330</u>	<u>\$(43,131)</u>	<u>\$781,588</u>
1982 -					
Land and improvements	\$ 32,578	\$ 4,491	\$ --	\$ (5,587)	\$ 31,482
Buildings	41,912	7,648	--	(548)	49,012
Landfills	67,221	15,684	--	6,068	88,973
Vehicles and equipment	415,977	102,000	--	(38,009)	479,968
Construction-in-progress	<u>3,212</u>	<u>2,332*</u>	<u>--</u>	<u>--</u>	<u>5,544</u>
	<u>\$560,900</u>	<u>\$132,155</u>	<u>\$ --</u>	<u>\$(38,076)</u>	<u>\$654,979</u>
1981-					
Land and improvements	\$ 32,671	\$ 6,339	\$ --	\$ (6,432)	\$ 32,578
Buildings	35,354	8,732	--	(2,174)	41,912
Landfills	49,650	11,524	--	6,047	67,221
Vehicles and equipment	365,283	87,482	--	(36,788)	415,977
Construction-in-progress	<u>2,999</u>	<u>213*</u>	<u>--</u>	<u>--</u>	<u>3,212</u>
	<u>\$485,957</u>	<u>\$114,290</u>	<u>\$ --</u>	<u>\$(39,347)</u>	<u>\$560,900</u>

\* Represents net change during the period.

Depreciation and Amortization: Depreciation for financial reporting purposes is computed on the straight-line method based upon the estimated useful lives of the assets as follows: buildings, 10 to 40 years, vehicles and equipment, 3 to 10 years. Landfills, consisting of land and related airspace, are stated at cost. The cost of airspace is amortized as consumed during the landfill's useful life. Landfill preparation costs are amortized over the useful life of the landfill.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS AND EMPLOYEES

For the Three Years Ended September 30, 1983  
(In Thousands)

	Balance at Beginning of Year	Additions	Deductions		Balance at End of Year	
			Amounts Collected	Amounts Written Off	Current	Not Current
1983 -						
Steve Custer	\$ 100	\$ 4 (b)	\$ 18 (b)	\$ --	\$ 86	\$ --
Jim Cosman	<u>112 (a)</u>	<u>--</u>	<u>112</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>\$ 212</u>	<u>\$ 4</u>	<u>\$ 130</u>	<u>\$ --</u>	<u>\$ 86</u>	<u>\$ --</u>
1982 -						
L. Bittenson	\$ 100	\$ --	\$ 100	\$ --	\$ --	\$ --
Steve Custer	100	--	--	--	100	--
J. Cosman	150	--	38	--	112	--
James Williams	<u>7</u>	<u>125</u>	<u>132</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>\$ 357</u>	<u>\$ 125</u>	<u>\$ 270</u>	<u>\$ --</u>	<u>\$ 212</u>	<u>\$ --</u>
1981 -						
L. Bittenson	\$ --	\$ 100	\$ --	\$ --	\$ 100	\$ --
Steve Custer	--	100	--	--	100	--
J. Cosman	--	150	--	--	150	--
L.E. Wagner	274	--	274	--	--	--
James Williams	<u>3</u>	<u>203</u>	<u>199</u>	<u>--</u>	<u>7</u>	<u>--</u>
	<u>\$ 277</u>	<u>\$ 553</u>	<u>\$ 473</u>	<u>\$ --</u>	<u>\$ 357</u>	<u>\$ --</u>

- (a) This note bears interest at an annual rate 1% above the prime rate of Republic Bank Dallas in effect from day to day, not to exceed 10% and is collateralized by a second lien on the borrower's prior residence.
- (b) The net deduction of \$14 represents the Company's exercise of the employee's stock options in order to reduce his debt.

- 10.3 Employment Agreement, effective as of January 1, 1983, between the Company and Harry J. Phillips, Sr.; Employment Agreements, effective as of January 1, 1983, between the Company and John E. Drury, Norman A. Myers and George R. Farris; Employment Agreement effective as of January 1, 1983, as amended March 1, 1983, between the Company and Howard S. Hoover, Jr.; and Employment Agreement, dated as of December 31, 1977, as amended September 3, 1980 between the Company and Louis A. Waters. Consulting Agreement, effective as of January 1, 1983, with Edward Drury.
- 10.4 Office lease, dated August 9, 1979, between Ashford Place Number Five Joint Venture, as lessor, and Browning-Ferris Industries, Inc., as lessee. (Exhibit 9.1 of Form 10-K for the fiscal year ended September 30, 1979, is hereby incorporated by reference.)
- 10.5 Browning-Ferris Industries, Inc. 1983 Stock Option Plan.

22. Subsidiaries of the Registrant.

Reports on Form 8-K

For the quarter ended September 30, 1983, the Company did not file any Current Reports on Form 8-K.

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**NOTE:** Upon the request of a holder of the Company's securities directed to Browning-Ferris Industries, Inc., P. O. Box 3151, Houston, Texas 77253, Attn: Secretary, the Company will furnish a copy of any exhibit for ten cents per page to cover the cost of copying and mailing.

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\* This information appears only in the manually signed original filed with the Securities and Exchange Commission.

- 3.1 Second Restated Certificate of Incorporation of Browning-Ferris Industries, Inc., dated October 1, 1982, as amended March 1, 1983. (Exhibit 3.1 of Securities and Exchange Commission File No. 2-84343 is hereby incorporated by reference.)
- 3.2 By-laws of the Registrant, as amended through December 6, 1982. (Exhibit 3.2 of Form 10-K for the fiscal year ended September 30, 1982 is hereby incorporated by reference.)
- 4.1 Loan Agreement, dated March 31, 1981, between the Registrant and Republic National Bank of Dallas and Other Banks, (the "Loan Agreement"). (Exhibit 4 of Form 10-Q for quarter ended March 31, 1981, is hereby incorporated by reference.)
- 4.2 Letter Amendment, dated October 21, 1982, to Loan Agreement. (Exhibit 4.2 of Form 10-K for the fiscal year ended September 30, 1982, is hereby incorporated by reference.)
- 4.3 Indenture, dated as of June 1, 1976, between First City National Bank of Houston, Trustee, and the Registrant. (Exhibit 2.6 of Securities and Exchange Commission File No. 2-55570 is hereby incorporated by reference.)
- 4.4 Indenture, dated as of February 1, 1980, between First City National Bank of Houston, Trustee, and the Registrant. (Exhibit 1 of Form 10-Q for the quarter ending December 31, 1979 is hereby incorporated by reference.)
- 4.5 Credit Agreement, dated as of June 1, 1977, between Registrant, Republic National Bank of Dallas and Other Banks, as amended March 31, 1981. (Exhibit 4.4 of Form 10-K for the fiscal year ended September 30, 1981, is hereby incorporated by reference.)
- 10.1 Agreement, dated April 21, 1980, between Vereinigte Kesselwerke AG and Registrant. (Exhibit 10.1 of Form 10-K for the fiscal year ended September 30, 1980, is hereby incorporated by reference.)
- 10.2 Browning-Ferris Industries, Inc. Management Incentive Compensation Plan of 1981, as amended. (Exhibit 10.2 of Form 10-K for the fiscal year ended September 30, 1981, is hereby incorporated by reference.)

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\* This information appears only in the manually signed original filed with the Securities and Exchange Commission.



## PART IV.

### Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

#### Financial Statements

Browning-Ferris Industries, Inc. and Subsidiaries:

Report of independent public accountants.

Consolidated statements of income for the three years ended September 30, 1983.

Consolidated balance sheets—September 30, 1983 and 1982.

Consolidated statements of retained earnings for the three years ended September 30, 1983.

Consolidated statements of capital stock and additional paid-in capital for the three years ended September 30, 1983.

Consolidated statements of changes in financial position for the three years ended September 30, 1983.

Notes to Financial Statements.

#### Schedules -

- II Amounts receivable from directors, officers and employees for the three years ended September 30, 1983.
- V Property and equipment for the three years ended September 30, 1983.
- VI Accumulated depreciation of property and equipment for the three years ended September 30, 1983.
- VIII Allowance for doubtful accounts for the three years ended September 30, 1983.

Schedules, other than those listed above, are omitted because of the absence of conditions under which they are required, or because the information is included in the financial statements or notes thereto.

### PART III.

Items 10, 11, 12 and 13 of Part III (except for information required with respect to executive officers of the Company which is set forth under "Business—Executive and Other Officers of the Company" in Part I of this report) have been omitted from this report, since the Company will file with the Securities and Exchange Commission, not later than 120 days after the close of the fiscal year, a definitive proxy statement, pursuant to Regulation 14A, which involves the election of directors. The information required by Items 10, 11, 12 and 13 of this report which will appear in the definitive proxy statement is incorporated by reference into Part III of this report.

**Item 9. Disagreements on Accounting and Financial Disclosure.**

**None.**

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS - (Continued)

(14) Quarterly financial information (Unaudited) - (In Thousands Except for Per Share Amounts)

		<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
Revenues	1983	\$201,761	\$197,808	\$214,725	\$229,251
	1982	196,149	187,098	198,879	199,397
	1981	177,976	174,621	185,413	189,099
Operating profit	1983	\$ 74,404	\$ 72,971	\$ 81,244	\$ 86,275
	1982	70,460	67,228	74,893	74,002
	1981	59,249	58,591	62,805	65,397
Net Income	1983	\$ 18,763	\$ 17,160	\$ 21,626	\$ 22,130
	1982	16,445	14,331	18,343	17,791
	1981	13,032	11,356	13,695	14,257
Earnings per share	1983	\$ .57	\$ .52	\$ .65	\$ .66
	1982	.50	.43	.56	.54
	1981	.42	.36	.42	.43

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS - (Continued)

Explanation - five-year comparison. Revenues, dividends declared per common share and the market price per common share at year-end are shown in dollars of equal purchasing power as measured by the CPI-U.

Comments - five-year comparison. Revenues for the 1979 to 1983 period, expressed in average 1983 fiscal year dollars, show a compound growth rate of 5% as compared with an 15% annual growth rate calculated on a historical dollar basis.

Net assets at year-end 1983 of \$481 million for the constant dollar and \$471 million for the current cost methods compares to \$397 million shown on the primary financial statements. The significant increase in net assets in terms of 1983 dollars is due mainly to the adjustment in property and equipment values.

Actual dividends per common share increased \$.40 for the period 1979-1983. Adjusted for constant dollars this increase is reflected as \$.24. Similarly, the market price per common share increased over the five year period, in terms of 1983 constant dollars, at a compound growth rate of 34% compared to a rate of 46% in actual dollars.

The supplementary financial information and the related commentary may assist financial statement users in better understanding some of the effects of inflation on the Company. However, the users are cautioned that the data is based on methods and indices which may not necessarily produce results comparable with other enterprises, including those in the same industry. The supplementary information should be regarded as no more than a general indicator of some of the effects of inflation on the Company and not as an absolute measure of inflationary effects.



BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS- (Continued)

FIVE-YEAR COMPARISON OF SELECTED FINANCIAL DATA  
ADJUSTED FOR EFFECTS OF CHANGING PRICES

(In Average 1983 Fiscal Year Dollars)  
(In Thousands Except for Per Share Amounts)

	Year Ended September 30,				
	1983	1982	1981	1980	1979
Revenues					
As reported	843,545	781,523	727,109	603,524	487,593
In constant 1983 dollars	843,545	808,575	808,232	745,021	683,785
Historical cost information adjusted for general inflation					
Net income	59,521	50,348	43,000	22,551	
Earnings per common share	\$ 1.79	\$ 1.53	\$ 1.35	\$ .75	
Net assets at year-end	480,935	432,759	407,921	377,479	
Current cost information					
Net income	59,856	46,118	45,902	20,165	
Earnings per common share	\$ 1.80	\$ 1.41	\$ 1.44	\$ .65	
Excess of increase in general price level over increase in current cost	14,885	17,143	28,804	20,317	
Net assets at year-end	470,514	440,241	408,321	380,758	
Gain from decline in purchasing power of net amounts owed	3,945	5,560	14,345	19,440	
Cash dividends declared per common share					
As reported	80¢	67¢	56¢	47¢	40¢
In constant 1983 dollars	80¢	69¢	62¢	58¢	56¢
Market price per common share at year-end					
In historical dollars	\$42.75	\$24.58	\$18.17	\$15.67	\$ 9.50
In constant 1983 dollars	\$42.75	\$25.43	\$20.19	\$19.34	\$13.32
Average consumer price index	295.9	286.0	266.2	239.7	211.0

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS - (Continued)

STATEMENT OF INCOME ADJUSTED FOR CHANGING PRICES

For the Year Ended September 30, 1983  
(In Thousands)

	As Reported in the Primary Statements	Adjusted for General Inflation Constant Dollars	Adjusted for Changes in Current Costs
Revenues	\$843,545	\$843,545	\$843,545
Costs and expenses excluding depreciation expense	\$606,544	\$606,544	\$606,544
Depreciation expense	84,458	104,616	104,281
Interest, net	6,878	6,878	6,878
Income before income taxes	\$145,665	125,507	125,842
Income taxes	65,986	65,986	65,986
Net income	<u>\$ 79,679</u>	<u>\$ 59,521</u>	<u>\$ 59,856</u>
Gain from decline in purchasing power of net amounts owed		\$ 3,945	\$ 3,945
Effect of increase in general price level			\$ 15,670
Increase in specific current cost of property and equipment held during the year*			<u>785</u>
Excess of increase in general price level over increase in the current cost			<u>\$ 14,885</u>

\* At September 30, 1983, the current cost of property and equipment, net of accumulated depreciation was \$556,053.

BROWNING-FERRIS, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS - (Continued)

The purchasing power gain or loss is intended to reflect the loss in general purchasing power which results from holding monetary assets (money or a claim to receive a sum of money, the amount of which is fixed) during periods of rising prices, or the gain from settling liabilities (obligations to pay a sum of money, the amount of which is fixed) in dollars of diminishing purchasing power. This amount is shown separately in the accompanying supplementary data.

Current cost accounting. Statement 33 requires a disclosure which measures the increase in the current cost of property and equipment both before and after eliminating the effects of changes in general purchasing power. The historical cost of depreciable assets is adjusted to current cost using indices which approximate the cost of replacing existing assets. Restated depreciation expense is based upon the current cost of existing depreciable assets.

General. The supplemental statements presented in this section of the report have been prepared in accordance with the procedures and requirements set forth in Statement 33 and involve the use of assumptions and estimates. They should be viewed in that context and not necessarily as a reliable and precise indicator of the effect of inflation on the Company's net income or its financial position.

Income tax expense is the same amount under both the constant dollar and current cost methods as that shown on the primary financial statements in historical dollars. This treatment is in accordance with Statement 33 and recognizes that companies are not permitted tax deductions for adjustments to depreciation expense for general inflation.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS - (Continued)

(13) Supplemental information on effects of changing prices - (Inflation) (Unaudited)

Background Information

The Financial Accounting Standards Board issued Statement No. 33, "Financial Reporting and Changing Prices" (Statement 33) which established an experimental approach for reporting effects of price changes on accounting data. The required disclosures are intended to address two different aspects of an inflationary environment: the effects of a rise in the general price level on the purchasing power of the dollar (referred to as constant dollar) and specific price changes in the resources used by the Company (referred to as current cost). The following definitions included in Statement 33 may be helpful in understanding the supplementary information presented:

Historical cost/nominal dollar accounting. The generally accepted method of accounting used in the primary financial statements that measures historical cost in dollars which have not been adjusted to measuring units with equivalent purchasing power.

Constant dollar accounting. A method of reporting financial statement elements in dollars each of which has the same (i.e., constant) general purchasing power. This method of accounting is often described as accounting in units of general purchasing power or as accounting in units of current purchasing power.

Current cost accounting. A method of measuring and reporting assets and expenses associated with the use or sale of assets, at their current cost or lower recoverable amount at the balance sheet date or at the date of use or sale.

Adjustment of Historical Data to Reflect the Effect of Changing Prices

Constant dollar accounting. Statement 33 requires the presentation of income from operations that has been restated to reflect dollars of equivalent purchasing power as measured by the Consumer Price Index for all Urban Consumers (CPI-U). The historical cost of depreciable assets is restated based upon the average of 1983 fiscal year dollars and the cost is used to calculate adjusted depreciation expense. This calculation assumes the same useful lives and methods of depreciation as were used in the primary statements. Revenues and all expenses, other than depreciation, are stated in average 1983 fiscal year dollars in the primary financial statements, thus requiring no adjustments in the constant dollar statement.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS - (Continued)

(12) Income Taxes

The components of income tax expense are as follows (In Thousands):

	Federal	Foreign	State and Local	Total
1983: Current	\$ 53,965	\$ 4,094	\$ 8,508	\$66,567
Deferred	\$ 1,609	\$ 2,918	\$ 71	\$ 4,598
Amortization of investment tax credit	\$ (5,179)	\$ --	\$ --	\$ (5,179)
1982: Current	\$ 50,119	\$ 3,810	\$ 8,404	\$62,333
Deferred	\$ (402)	\$ 557	\$ (413)	\$ (258)
Amortization of investment tax credit	\$ (4,475)	\$ --	\$ --	\$ (4,475)
1981: Current	\$ 37,155	\$ 3,507	\$ 6,573	\$47,235
Deferred	\$ 2,010	\$ 120	\$ (124)	\$ 2,006
Amortization of investment tax credit	\$ (3,959)	\$ --	\$ --	\$ (3,959)

The following is a reconciliation between the effective income tax rate and the applicable statutory federal income tax rate for the three years ended September 30, 1983:

	1983	1982	1981
Income tax - statutory rate	46.0%	46.0%	46.0%
Amortization of investment tax credit	(3.6)	(3.6)	(4.1)
Federal effect of state income taxes	(2.7)	(2.9)	(3.0)
All other, net	(.3)	.3	.9
Federal and Foreign	39.4	39.8	39.8
State income taxes	5.9	6.5	6.6
Effective income tax rate	<u>45.3%</u>	<u>46.3%</u>	<u>46.4%</u>



BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES  
NOTES TO FINANCIAL STATEMENTS - (Continued)

(11) Operations by industry segment and geographical area -

The Company is engaged primarily in the collection, processing/recovery and disposal of solid and liquid wastes for commercial, industrial, governmental and residential customers. The Company considers these operations to be one industry.

The Company also provides high-pressure water and chemical cleaning of industrial process equipment, specialized catalyst-handling services and life-support and other related services. The Company engages, to a limited extent, in several other activities that either are related to the Company's principal business or have been developed in response to specific needs or opportunities of a particular operation. Revenues, income from operations and identifiable assets applicable to these operations are not significant.

The following table reflects certain geographical information relating to the Company's operations (In thousands):

		United States (1)	Foreign	Consolidated
Revenues	1983	<u>\$ 795,562</u>	<u>\$ 47,983</u>	<u>\$ 843,545</u>
	1982	<u>\$ 742,738</u>	<u>\$ 38,785</u>	<u>\$ 781,523</u>
	1981	<u>\$ 694,163</u>	<u>\$ 32,946</u>	<u>\$ 727,109</u>
Income from operations	1983	<u>\$ 137,702</u>	<u>\$ 14,841</u>	<u>\$ 152,543</u>
	1982	<u>\$ 123,586</u>	<u>\$ 9,121</u>	<u>\$ 132,707</u>
	1981	<u>\$ 102,679</u>	<u>\$ 7,238</u>	<u>\$ 109,917</u>
Interest, net	1983			<u>\$ 6,878</u>
	1982			<u>\$ 8,197</u>
	1981			<u>\$ 12,295</u>
Income before income taxes	1983	<u>\$ 131,364</u>	<u>\$ 14,301</u>	<u>\$ 145,665</u>
	1982	<u>\$ 115,489</u>	<u>\$ 9,021</u>	<u>\$ 124,510</u>
	1981	<u>\$ 90,491</u>	<u>\$ 7,131</u>	<u>\$ 97,622</u>
Identifiable assets	1983	<u>\$ 699,574</u>	<u>\$ 83,455</u> (2)	<u>\$ 783,029</u>
	1982	<u>\$ 620,733</u>	<u>\$ 95,025</u>	<u>\$ 715,758</u>
	1981	<u>\$ 602,641</u>	<u>\$ 34,256</u>	<u>\$ 636,897</u>

(1) Includes Puerto Rico.

(2) Includes Investments of \$34.0 million in connection with the Riyadh contract. At September 30, 1982, Riyadh Investments amounted to \$46.7 million.

BROWNING-FERRIS INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS - (Continued)

(10) Employees' retirement plans -

The Company and its subsidiaries have several pension plans covering substantially all employees except certain employees subject to collective bargaining agreements. Pension expense for each of the three years ended September 30, 1983, 1982 and 1981, was \$4,014,000, \$3,699,000, and \$3,042,000. It includes amortization of prior service costs over 30 years for certain plans. The Company's policy is to fund pension costs accrued. A comparison of accumulated plan benefits and plan net assets for the Company's defined benefit plan is presented below (In thousands):

	January 1,	
	<u>1983</u>	<u>1982</u>
Actuarial present value of accumulated plan benefits:		
Vested	\$15,068	\$13,842
Non-vested	<u>1,825</u>	<u>1,731</u>
	<u>\$16,893</u>	<u>\$15,573</u>
Net assets available for benefits	<u>\$23,063</u>	<u>\$16,794</u>

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8% for both 1983 and 1982.

NTD058 117979

HAZARDOUS WASTE FACILITY  
CERTIFICATE OF LIABILITY INSURANCE

1. National Union Fire Insurance Company (the "Insurer"), of Pittsburgh, Pennsylvania hereby certifies that it has issued liability insurance covering bodily injury and property damage to Browning-Ferris Industries, Inc. ("the Insured"), of P.O. Box 3151, Houston, Texas 77253 in connection with the Insured's obligation to demonstrate financial responsibility under 40 CFR 264.147 or 265.147. The coverage applies at each facility identified on the attached schedule for non-sudden accidental occurrences for claims and suites brought in the United States. The limits of liability are \$3,000,000 each occurrence \$6,000,000 annual aggregate, exclusive of legal defense costs. The coverage is provided under policy number PRM 7063005, issued on October 1, 1985. The effective date of said policy is October 1, 1985 through October 1, 1986.

2. The Insurer further certifies the following with respect to the insurance described in Paragraph 1:

(a) Bankruptcy or insolvency of the Insured shall not relieve the Insurer of its obligations under the policy.

(b) The Insurer is liable for the payment of amounts within any deductible applicable to the policy, with a right of reimbursement by the insured for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated as specified in 40 CFR 264.147 (f) or 265.147 (f).

(c) Whenever requested by a Regional Administrator of the U.S. Environmental Protection Agency (EPA), the Insurer agrees to furnish to the Regional Administrator a signed duplicate original of the policy and all endorsements.

(d) Cancellation of the insurance, whether by the Insurer or the Insured, will be effective only upon written notice and only after the expiration of sixty (60) days after a copy of such written notice is received by the Regional Administrators of the EPA Regions in which the facilities are located.

(e) Any other termination of the insurance will be effective only upon written notice and only after the expiration of thirty (30) days after a copy of such written notice is received by the Regional Administrator of the EPA Regions in which the facilities are located.

I hereby certify that the wording of this instrument is identical to the wording specified in 40 CFR 264.51 (j) as such regulation was constituted on the date first above written, and that the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.

*RS. Davis*

Robert S. Davis  
Vice President  
National Union Fire of Pittsburgh, PA  
70 Pine Street, 3rd Floor  
New York, New York 10270





## BROWNING-FERRIS INDUSTRIES

P.O. BOX 3151 • HOUSTON, TEXAS 77001 • 713/870-8100

July 1, 1982

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

U.S. Environmental Protection Agency  
Region II  
Helen S. Beggun, Chief  
Grants Administration Branch  
26 Federal Plaza  
New York, New York 10007

Re: Financial Test to Demonstrate Financial Assurance for Closure/Post-Closure Costs

Dear Ms. Beggan:

I am the Chief Financial Officer of Browning-Ferris Industries, Inc., a Delaware corporation, 14701 St. Mary's, Houston, Texas 77079, Harris County. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR, Parts 264 and 265.

1. None
2. This firm guarantees, through the Corporate Guarantee specified in Subpart H of 40 CFR Parts 264 and 265, (see attached "Corporate Guarantee for Closure or Post-Closure Care"), the closure or post-closure care of the following facilities owned or operated by subsidiaries of this firm. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
BFI of Elizabeth, N.J., Inc. P.O. Box 508 Elizabeth, New Jersey 07207 <u>Location:</u> 714 Division St. Elizabeth, NJ	✓ NJD058117979	\$ 13,000	Not Applicable  No hazardous waste to remain in place after closure
BFI Chemical Services, Inc. P.O. Drawer C Pedricktown, NJ 08067 <u>Location:</u> Porcupine Road Pedricktown, NJ 08067	✓ NJT000028415	550,000	\$ 360,000
TOTAL		<u>\$ 563,000</u>	<u>\$ 360,000</u>

Helen S. Beggun, Chief  
Page Two  
July 1, 1982

3. None

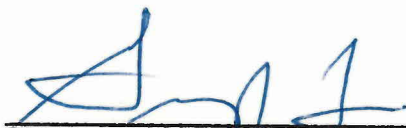
4. None

This firm is required to file a 10K with the Securities and Exchange Commission for the latest fiscal year.

The fiscal year of this firm ends on September 30. The figures for the following items marked with an asterisk are derived from this firm's independently audited year-end financial statements for the latest completed fiscal year, ended September 30, 1981.

1. Sum of current closure and post-closure cost estimates (total of all cost estimates shown in the four paragraphs above). \$923,000
2. Current bond rating of most recent issuance of this firm and name of rating service. All outstanding debt is rated A+ at Standard & Poors & A at Moody's
3. Date of issuance of bond. Various
4. Date of maturity of bond. Various
- \*5. Tangible net worth (if any portion of the closure and post-closure cost estimates is included in "total liabilities" on your firm's financial statements, you may add the amount of that portion to this line). \$240,535,000
- \*6. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.). \$ N/A
7. Is line 5 at least \$10 million? Yes X No
8. Is line 5 at least 6 times line 1? Yes X No
- \*9. Are at least 90% of firm's assets located in the U.S.? If not, complete line 10. Yes X No
10. Is line 6 at least 6 times line 1? N/A Yes      No

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.



George R. Farris  
Vice President, Treasurer  
and Chief Financial Officer  
July 1, 1982



CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE

Guarantee made this 1st day of July, 1982, by Browning-Ferris Industries, Inc., a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor, to the United States Environmental Protection Agency (EPA), obligee, on behalf of our subsidiary, Browning-Ferris Industries of Elizabeth, N.J., Inc., of P.O. Box 508, Elizabeth, New Jersey, 07207 (hereinafter BFI of Elizabeth, N.J.).

Recitals

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).

2. BFI of Elizabeth, N.J. owns or operates the following hazardous waste management facility covered by this guarantee:

<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
BFI of Elizabeth, N.J., Inc. P.O. Box 508 Elizabeth, New Jersey 07207 <u>Location:</u> 714 Division St. Elizabeth, NJ	✓ NJD058117979	\$ 13,000	Not Applicable  No hazardous waste to remain in place after closure

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by Subpart G of 40 CFR Parts 264 and 265 for the closure and post-closure care of facilities as identified above.

4. For value received from BFI of Elizabeth, N.J., guarantor guarantees to EPA that in the event that BFI of Elizabeth, N.J., fails to perform "closure", of the above facility in accordance with the closure or post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a

trust fund as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI of Elizabeth, N.J., in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI of Elizabeth, N.J., in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 and 265.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrator(s) for the Region(s) in which the facility is located and to BFI of Elizabeth, N.J., that he intends to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI of Elizabeth, N.J. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless BFI of Elizabeth, N.J., has done so.

6. The guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFI of Elizabeth, N.J., unless BFI of Elizabeth, N.J., has done so.

8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure, or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR Parts 264 or 265.

9. Guarantor agrees to remain bound under this guarantee for so long as BFI of Elizabeth, N.J., must comply with the applicable financial assurance requirements of Subpart H of 40 CFR Parts 264 and 265 for the above listed facility, except that

guarantor may cancel this guarantee by sending notice by certified mail to the EPA Regional Administrator(s) for the Region(s) in which the facility is located and to BFI of Elizabeth, N.J., such cancellation to become effective no earlier than 120 days after receipt of such notice by both EPA and BFI of Elizabeth, N.J., as evidenced by the return receipts.


10. Guarantor agrees that if BFI of Elizabeth, N.J. fails to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator(s) within 90 days after a notice of cancellation by the guarantor is received by an EPA Regional Administrator from guarantor, guarantor shall provide such alternate financial assurance in the name of BFI of Elizabeth, N.J.


11. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by BFI of Elizabeth, N.J. Guarantor also expressly waives notice of amendments or modifications of the facility permit(s).

I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written.

Effective date: July 1, 1982

BROWNING-FERRIS INDUSTRIES, INC.

  
\_\_\_\_\_  
George R. Farris  
Vice President, Treasurer  
and Chief Financial Officer

  
\_\_\_\_\_  
Signature of Witness

## CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE

Guarantee made this 1st day of July, 1982, by Browning-Ferris Industries, Inc., a business corporation organized under the laws of the State of Delaware, herein referred to as guarantor, to the United States Environmental Protection Agency (EPA), obligee, on behalf of our subsidiary, Browning-Ferris Industries Chemical Services, Inc., of 14701 St. Mary's, Houston, Texas 77079 (hereinafter BFICSI).

### Recitals

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in 40 CFR 264.143(f), 264.145(f), 265.143(e), and 265.145(e).

2. BFICSI owns or operates the following hazardous waste management facility covered by this guarantee:

<u>Facility Name and Address</u>	<u>EPA Identification Number</u>	<u>Estimated Closure Costs</u>	<u>Estimated Post Closure Costs (30 Years)</u>
BFI Chemical Services, Inc. P.O. Drawer C Pedricktown, NJ 08067 <u>Location:</u> Porcupine Road Pedricktown, NJ 08067	✓ NJT000028415	\$ 550,000	\$ 360,000

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by Subpart G of 40 CFR Parts 264 and 265 for the closure and post-closure care of facility as identified above.

4. For value received from BFICSI, guarantor guarantees to EPA that in the event that BFICSI, fails to perform "closure", of the above facility in accordance with the closure or post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in

Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFICSI, in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFICSI, in the amount of the current closure or post-closure cost estimates as specified in Subpart H of 40 CFR Parts 264 and 265.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the EPA Regional Administrator(s) for the Region(s) in which the facility is located and to BFICSI, that he intends to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFICSI. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless BFICSI, has done so.

6. The guarantor agrees to notify the EPA Regional Administrator by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by an EPA Regional Administrator of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, in the name of BFICSI, unless BFICSI, has done so.

8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure, or any other modification or alteration of an obligation of the owner or operator pursuant to 40 CFR Parts 264 or 265.

9. Guarantor agrees to remain bound under this guarantee for so long as BFICSI, must comply with the applicable financial assurance requirements of Subpart H of 40 CFR Parts 264 and 265 for the above listed facilities, except that guarantor may cancel this guarantee by sending notice by certified mail to the EPA Regional Administrator(s) for the Region(s) in which the facility is located and to BFICSI, such



cancellation to become effective no earlier than 120 days after receipt of such notice by both EPA and BFICSI, as evidenced by the return receipts.


10. Guarantor agrees that if BFICSI fails to provide alternate financial assurance as specified in Subpart H of 40 CFR Parts 264 or 265, as applicable, and obtain written approval of such assurance from the EPA Regional Administrator(s) within 90 days after a notice of cancellation by the guarantor is received by an EPA Regional Administrator from guarantor, guarantor shall provide such alternate financial assurance in the name of BFICSI.


11. Guarantor expressly waives notice of acceptance of this guarantee by the EPA or by BFICSI. Guarantor also expressly waives notice of amendments or modifications of the facility permit(s).

I hereby certify that the wording of this guarantee is identical to the wording specified in 40 CFR 264.151(h) as such regulations were constituted on the date first above written.

Effective date: July 1, 1982 .

BROWNING-FERRIS INDUSTRIES, INC.

  
\_\_\_\_\_  
George R. Farris  
Vice President, Treasurer  
and Chief Financial Officer

  
\_\_\_\_\_  
Signature of Witness

ARTHUR ANDERSEN & Co.

SUITE 700  
711 LOUISIANA  
HOUSTON, TEXAS 77002  
(713) 237-2323

July 1, 1982

To Browning-Ferris Industries, Inc.:

We, as independent public accountants, have examined the consolidated financial statements of Browning-Ferris Industries, Inc. and subsidiaries as of September 30, 1981 and for the year then ended and have issued our report thereon dated November 25, 1981. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We have read items 5, 6 and 9 of the letter dated July 1, 1982, from George R. Farris, Vice President, Treasurer and Chief Financial Officer of Browning-Ferris Industries, Inc., to the U.S. Environmental Protection Agency, Region II. We compared the amounts used to determine item 5, tangible net worth and the response to items 6 and 9 to the consolidated financial statements described above and found them to be in agreement. Nothing came to our attention as a result of the foregoing procedures that caused us to believe that the amounts described above should be adjusted.

The foregoing procedures do not constitute an examination in accordance with generally accepted auditing standards. Accordingly, we make no representations regarding the sufficiency of the foregoing procedures for your purposes.

*Arthur Andersen & Co.*



## ACKNOWLEDGEMENT OF NOTIFICATION OF HAZARDOUS WASTE ACTIVITY

04/24/00

This is to acknowledge that you have filed a **Notification of Hazardous Waste Activity** for the installation located at the address shown in the box below to comply with Section 3010 of the Resource Conservation and Recovery Act (RCRA). Your EPA Identification Number for that installation appears in the box below. The EPA Identification Number must be included on all shipping manifests for transporting hazardous wastes; on all Annual Reports that generators of hazardous waste, and owners and operators of hazardous waste treatment, storage and disposal facilities must file with EPA; on all applications for a Federal Hazardous Waste Permit; and other hazardous waste management reports and documents required under Subtitle C of RCRA.

<b>EPA I.D. NUMBER</b>	<b>→</b>	<b>NJD058117979</b>
<b>INSTALLATION NAME</b>	<b>→</b>	<b>GENTEMPO REALTY CO INC</b>
<b>INSTALLATION ADDRESS</b>	<b>→</b>	<b>714 DIVISION ST ELIZABETH, NJ 07201</b>
<b>MAILING ADDRESS</b>	<b>→</b>	<b>674 SUMMIT RD UNION, NJ 07083</b>

EPA Form 8700-12AB (4-80)

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 2  
290 BROADWAY, 22<sup>nd</sup> Floor  
NEW YORK, NEW YORK 10007-1866**


**ATTN: DIV OF ENVIRON PLANNING & PROTECTION  
RCRA PROGRAMS BRANCH**

**TO: GENTEMPO, FRANK J  
GENERAL PARTNER  
674 SUMMIT RD  
UNION, NJ 07083**

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

DATE: MAY 16 1983

SUBJECT: BFI of Elizabeth New Jersey, Inc.  
(NJD058117979) R-00013

FROM: Bruce R. Adler, Attorney   
Waste and Toxic Substances Branch

TO: Harry Ruisi  
Document Control Officer

In March of 1983 a Regional Counsel's Determination of Legal Issues in a Claim of Business Confidentiality was issued with respect to the above-referenced site. The determination, which disallowed BFI's claim of confidentiality, became final if BFI failed to notify this office that an action had been commenced in federal court to obtain judicial review of the determination. BFI has not so notified this office, so the determination is now final. The Part A permit application can now be placed in the public file.

PERMITS AND COMPLIANCE  
REGION II  
MAY 16 3 38 PM '83  
ENVIRONMENTAL PROTECTION  
AGENCY  
NEW YORK, N.Y. 10007

17 MAR 1981

Mr. William A. Speary, Jr.  
 Environmental Council  
 Browning-Ferris Industries, Inc.  
 Fannin Bank Building  
 P.O. Box 3151  
 Houston, Texas 77001

Re: Claim of Business Confidentiality-  
 R-00003, R-00004, R-00005, R-00006,  
 R-00007, R-00008, R-00010

NJ 0058117 979

Dear Mr. Speary:

On August 18, 1980, Browning-Ferris Industries, Inc. (BFI) submitted six Notification of Hazardous Waste Activity forms to the Region II office of the United States Environmental Protection Agency (EPA) pursuant to Section 3010 of the Resource Conservation and Recovery Act (RCRA). The six notification forms are for BFI facilities located in Latham, New York; Pedricktown, New Jersey; Elizabeth, New Jersey; Christiansted, St. Croix, Virgin Islands; Ponce, Puerto Rico and Westville, New Jersey. On November 19, 1980, BFI submitted an amended notification form for its facility located in Pedricktown, New Jersey. BFI requested that certain information contained in each of its notification forms be considered confidential. Pursuant to these requests, the Regional Counsel for EPA Region II has issued a legal determination denying each of the requests for confidentiality. A copy of the Regional Counsel's determination is enclosed.

If you have any questions concerning this determination you may contact me at (212) 264-4877.

Sincerely yours,

Wendy J. Fodge  
 Attorney  
 Office of Regional Counsel

Enclosure

WJF;Fodge;4877;1a;3/16/81

## CONCURRENCES

COL	2RC	2RC							
NAME	WJF	WJF							
TE	3/16/81	3/16/81							



Page

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION II

----- x	:	
	:	
IN RE THE MATTER OF	:	REGIONAL COUNSEL'S
	:	DETERMINATION OF LEGAL
	:	ISSUES IN A CLAIM OF
BROWNING-FERRIS INDUSTRIES, INC.	:	BUSINESS CONFIDENTIALITY -
	:	R-00003, R-00004, R-00005,
	:	R-00006, R-00007, R-00008,
----- x	:	R-00010

Section 3010 of the Resource Conservation and Recovery Act of 1976, as amended by the Quiet Communities Act of 1978 (Pub. L. 94-580, 42 U.S.C. §§6901 et seq.) (RCRA), requires that all persons handling hazardous waste notify the Administrator of the U.S. Environmental Protection Agency (EPA) of their hazardous waste activities within 90 days of promulgation of regulations under section 3001 of RCRA identifying hazardous wastes. Those regulations were promulgated on May 19, 1980 (45 Fed. Reg. 33119).

Browning-Ferris Industries, Inc. (BFI) submitted the required notification for six installations to the EPA Region II Regional Administrator, together with a claim of business confidentiality and purported substantiation of that claim. (One installation was the subject of an amended notification.) The substantiation consists of purported answers to six questions listed in the instructions to the notification form, EPA Form 8700-12, which are based on 40 C.F.R. §2.204(e)(4), the EPA regulation prescribing the information which EPA solicits from persons making confidentiality claims.

EPA may withhold from disclosure under the Freedom of Information Act, 5 U.S.C. §552, any records which fall within one of the exemptions under the Act.

One of these exemptions is "trade secrets and commercial or financial information obtained from a person and privileged or confidential." 5 U.S.C. §552(b)(4). Further, the Trade Secrets Act, 18 U.S.C. §1905, imposes a criminal penalty on agency employees who disclose trade secrets unless "authorized by law." EPA regulations on Confidentiality of Business Information, 40 C.F.R. Part 2, Subpart B, set forth guidelines for determining whether information is entitled to confidential treatment under both the Freedom of Information Act and the Trade Secrets Act. 40 C.F.R. §2.201(e). Any information determined to be entitled to confidential treatment according to EPA's business confidentiality regulations will not be disclosed to the public under the Freedom of Information Act. 40 C.F.R. §205(e).

EPA regulations give substantive criteria for use in confidentiality determinations, at 40 C.F.R. §2.208. The person or company making the claim of confidentiality must show that:

1. it has taken reasonable measure to protect the confidentiality of the information,
2. it intends to continue to take such measures, and
3. the information is not, and has not been, reasonably obtainable without the claimant's consent (except by government bodies or through discovery in a judicial or quasi-judicial proceeding) by use of legitimate means.

BFI has not demonstrated that these criteria have been met. It has not documented that it has taken and will continue to take all reasonable measures to prevent the disclosure of the information describing hazardous wastes here

at issue. Moreover, claimant has failed to demonstrate that the information is not and has not been reasonably obtainable without the claimant's consent by use of legitimate means. Such discussion as there is in claimant's submission refers to customer lists, not to waste descriptions.

Further, one of two additional tests must be met: the claimant must show that disclosure of the information is likely to cause substantial harm to its competitive position, or, if the information is voluntarily submitted information according to 40 C.F.R. §2.201(i), that its disclosure would be likely to impair the government's ability to obtain necessary information in the future.

Since notification is required by section 3010 of RCRA, the information contained therein is not voluntarily submitted information. Therefore, it is necessary to determine whether BFI has shown that disclosure of the information subject to the confidentiality claim is likely to cause substantial harm to its competitive position.

Included in the information required to be submitted under section 3010 of RCRA are the following items:

1. Name of installation.
2. Installation mailing address.
3. Location of installation.
4. Name, title and phone number of a person to contact for information about the notification form.
5. Name of installation's owner, and whether ownership is federal or non-federal.
6. Type of hazardous waste activity, i.e., generation, transportation, treatment, storage or disposal, or underground injection.

7. The mode of transporting hazardous waste (applicable to transporters only).
8. Whether the notification is the installation's first or a subsequent notification.
9. A description of the hazardous waste handled by the installation, either by a four-digit code for listed hazardous waste, or by the applicable hazardous waste characteristics.

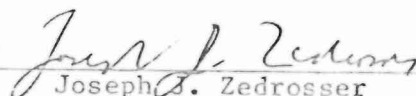
BFI has made a claim of business confidentiality with respect to item 9. However, BFI has not demonstrated that disclosure of the information claimed to be confidential would be likely to cause substantial harm to BFI's competitive position. BFI merely asserts in conclusory fashion that disclosure of the types of wastes and waste characteristics would be tantamount to disclosure of its customer lists and would enable competitors to solicit BFI's customers and "track" BFI's future marketing and development strategies and that this "could" substantially affect its business. Claimant has not demonstrated the link between disclosure of the information in item 9 and the alleged ability of competitors to identify and solicit BFI's customers and "track" its marketing and development strategies. Claimant has not demonstrated that such disclosure would be likely to cause substantial harm to BFI's competitive position.

The burden of proving that information subject to a claim of confidentiality is entitled to confidential treatment is on the party asserting the claim, who is in the best position to demonstrate the potential adverse effect of disclosure on its competitive position. 40 C.F.R. §2.208(e)(1). BFI has failed to meet this burden. Since BFI has failed to meet its burden of proving that disclosure

of the information subject to the confidentiality claim is likely to cause substantial harm to its competitive position, and has not demonstrated that the information is not, and has not, been reasonably obtainable without BFI's consent (except by government bodies or through discovery in a judicial or quasi-judicial proceeding) by use of legitimate means, BFI's claim of confidentiality is hereby denied in accordance with 40 C.F.R. §§2.208(e)(1) and 2.208(c).

This determination constitutes a notice of denial of BFI's claim of business confidentiality, pursuant to 40 C.F.R. §2.205(f). It constitutes final agency action with respect to that claim, and is subject to judicial review under chapter 7 of title 5, United States Code. Subject to the provisions of 40 C.F.R. §2.210, EPA will make the information available to the public on the tenth working day after receipt by BFI of this determination, unless the Office of Regional Counsel, U.S. Environmental Protection Agency, Region II, has first been notified that BFI has commenced an action in a federal court to obtain judicial review of the determination and to obtain preliminary injunctive relief against disclosure. If such an action is timely commenced, EPA may nonetheless make the information available to the public, in the absence of an order by the court to the contrary, once the court has denied a motion for preliminary injunction in the action or has otherwise upheld the EPA determination, or whenever it appears to the Office of Regional Counsel, after reasonable notice to BFI, that BFI is not taking appropriate measures to obtain a speedy resolution of the action.

New York, New York  
March 17, 1981

  
Joseph S. Zedrosser  
Regional Counsel  
Region II





*Confidential*

## BROWNING-FERRIS INDUSTRIES

P.O. BOX 3151 • HOUSTON, TEXAS 77001 • 713/870-8100

March 10, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Julio Morales-Sanchez  
Director, Enforcement Division  
Permits Administration Branch  
U. S. Environmental Protection Agency  
Region II  
26 Federal Plaza  
New York, New York 10278

Re: Browning-Ferris Industries of Elizabeth, New Jersey  
EPA ID No. 0058117979

MAR 13 3 36 PM '81  
ENVIRONMENTAL PROTECTION  
AGENCY  
NEW YORK, N.Y. 10007

Dear Sir:

This letter is in response to your inquiry of February 9, 1981, in regard to Browning-Ferris Industries of Elizabeth, New Jersey. Both the notification and Part A application were timely filed with U.S. EPA. Please find attached a copy of the Part A application and cover letter which demonstrates that notification had not only been filed, but an EPA I.D. number had also been received. Also attached is the return receipt of the Part A application signed by A. W. Orenge of U.S. EPA Region. The receipt shows a postmark date of November 19, 1980 for mailing and a receipt date of November 24, 1980.

I sincerely hope this answers your inquiry regarding the notification and Part A application for Browning-Ferris Industries of Elizabeth, New Jersey. If you have any questions, please contact me at (713) 870-8100, ext. 7305.

Sincerely,

  
Barbara D. Little  
Environmental Attorney

attachments

49  
MAR 10 1983

CERTIFIED MAIL-  
RETURN RECEIPT REQUESTED

Mr. Peter Leonardis  
District Manager  
BFI of Elizabeth New Jersey, Inc.  
P.O. Box 508  
Elizabeth, New Jersey 07207

Re: BFI of Elizabeth New Jersey, Inc.  
NJDO58117979

Dear Mr. Leonardis:

Attached please find the Regional Counsel's Determination with respect to the claim of confidentiality filed by BFI of Elizabeth New Jersey relative to certain information submitted pursuant to the Solid Waste Disposal Act, 42 U.S.C. 6901 et seq.

As you can see, the Regional Counsel has denied BFI's claim of confidentiality. If BFI wishes to appeal, it must, within ten days of receiving the Determination, commence an action in the appropriate U.S. District Court for judicial review and preliminary injunctive relief. If you have any questions, please call me at (212) 264-9898.

Sincerely yours,

Bruce R. Adler  
Attorney  
General Enforcement Branch  
Office of Regional Counsel

Enclosure

✓ bcc: Tom Taccone, 2 PM-PA

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION II

-----X	:	
	:	
IN RE THE MATTER OF	:	REGIONAL COUNSEL'S
	:	DETERMINATION OF LEGAL
	:	ISSUES IN A CLAIM OF
	:	BUSINESS CONFIDENTIALITY
BFI OF ELIZABETH NEW JERSEY, INC.	:	
(NJD058117979)	:	R - 00013
	:	
-----X		

Regulations promulgated pursuant to Section 3005 of the Solid Waste Disposal Act, as amended, 42 U.S.C. §6901 et seq., require that by November 19, 1980, all persons owning or operating a facility for the treatment, storage or disposal of hazardous waste must have applied to the U.S. Environmental Protection Agency ("EPA") for a hazardous waste permit. The instructions to the application form provide that all claims of confidentiality must be accompanied by a written substantiation of the claim at the time of filing.<sup>1</sup> The written substantiation consists of answers to six questions listed in the instruction form, which are based on 40 CFR §2.204(e)(4). The instructions further provide that "if no claim of confidentiality or no substantiation accompanies the information when it is submitted, EPA may make the information available to the public without further notice to the submitter."<sup>2</sup>

<sup>1</sup> "Application for a Hazardous Waste Permit," Page 3-1


<sup>2</sup> Id.

BFI submitted its application form to EPA Region II, together with a claim of business confidentiality, on or about November 19, 1980. However, no substantiation of its claim was provided. BFI, by failing to include a substantiation of its claim of business confidentiality, has waived that claim, which is hereby denied in accordance with 40 CFR §2.204(d)(1).

This determination constitutes a notice of denial of BFI's claim of business confidentiality, pursuant to 40 CFR §2.205(f). It constitutes final agency action with respect to that claim, and is subject to judicial review under Chapter 7 of Title 5, United States Code. Subject to the provisions of 40 CFR §2.210, EPA will make the information available to the public on the tenth working day after receipt by BFI of this determination, unless the Office of Regional Counsel, U.S. Environmental Protection Agency, Region II, has first been notified of the commencement of an action in federal court to obtain judicial review of the determination, and to obtain preliminary injunctive relief against disclosure. If such an action is timely commenced, EPA may nonetheless make the information available to the public (in the absence of an order by the court to the contrary) once the court has denied a motion for a preliminary injunction in the action or has otherwise upheld the EPA determination, or whenever it appears to the Office of Regional Counsel, after reasonable notice to BFI, that BFI is not taking appropriate measures to obtain a speedy resolution of the action.

New York, New York

March 10, 1983

  
WARREN H. LLEWELLYN  
Acting Regional Counsel  
Office of Regional Counsel  
U.S. Environmental Protection  
Agency  
Region II  
26 Federal Plaza  
New York, New York 10278

NEW YORK, N.Y. 10001  
APR 11 1983  
U.S. ENVIRONMENTAL PROTECTION AGENCY  
REGION II  
26 FEDERAL PLAZA  
NEW YORK, N.Y. 10278



RCRA TREATMENT, STORAGE AND DISPOSAL FACILITY INSPECTION FORM  
FOR TSD FACILITIES ONLY

COMPANY NAME: B F I

EPA I.D. Number: NJ D058117979

COMPANY ADDRESS: 714 Division St.

COMPANY CONTACT OR OFFICIAL: ELIZABETH N.J.

OTHER ENVIRONMENTAL PERMITS HELD

Mark Swanek

BY FACILITY: ☒ NPDES

TITLE:

☐ AIR

chemist

☒ OTHER

Solid WASTE Facility Permit  
Vehicle transporting permit

INSPECTOR'S NAME:

DATE OF INSPECTION:

Mike Nalbore

5/26/82

BRANCH/ORGANIZATION:

TIME OF DAY INSPECTION TOOK PLACE: 9:45

NJ DEP

(1) Is there reason to believe that the facility has hazardous waste on site?

a. If yes, what leads you to believe it is hazardous waste?  
Check appropriate box:

☐ Company admits that its waste is hazardous during the inspection.

☐ Company admitted the waste is hazardous in its RCRA notification and/or Part A Permit Application.

☐ The waste material is listed in the regulations as a hazardous waste from a nonspecific source (§261.31)

☐ The waste material is listed in the regulations as a hazardous waste from a specific source (§261.32)

☐ The material or product is listed in the regulations as a discarded commercial chemical product (§261.33)

☐ EPA testing has shown characteristics of ignitability, corrosivity, reactivity or extraction procedure toxicity, or has revealed hazardous constituents (please attach analysis report)

☐ Company is unsure but there is reason to believe that waste materials are hazardous. (Explain)

YES

NO

DON'T  
KNOW

b. Is there reason to believe that there are hazardous wastes on-site which the company claims are merely products or raw materials?

— X —

please explain:

PERMITS BRANCH  
JUL 20 2 35 PM '82  
NEW YORK, N.Y. 10007  
ENVIRONMENTAL PROTECTION

# VISUAL OBSERVATIONS

## (5) SITE SECURITY (§265.14)

YES NO DON'T KNOW

- a. Is there a 24-hour surveillance system?
- b. Is there a suitable barrier which completely surrounds the active portion of the facility?
- c. Are there "Danger-Unauthorized Personnel Keep Out" signs posted at each entrance to the facility?

— X —  
— X — —

*Fence around the entire site*

## (6) Are there ignitable, reactive or incompatible wastes on site? (§265.27)

X — — *ignitables*

- a. If "YES", what are the approximate quantities?
- b. If "YES", have precautions been taken to prevent accidental ignition or reaction of ignitable or reactive waste?

*may come on site. If they do the load is locked and secure.*

- c. If "YES", explain

*no smoking and the load is contained and secured within a fence*

- d. In your opinion, are proper precautions taken so that these wastes do not:

- generate extreme heat or pressure, fire or explosion, or violent reaction?
- produce uncontrolled toxic mists, fumes, dusts, or gases in sufficient quantities to threaten human health?
- produce uncontrolled flammable fumes or gases in sufficient quantities to pose a risk of fire or explosions?
- damage the structural integrity of the device or facility containing the waste?
- threaten human health or the environment?

X — —  
— — —  
X — —  
— — —  
X — —  
— — —  
X — —

Please explain your answers, and comment if necessary.

- e. Are there any additional precautions which you would recommend to improve hazardous waste handling procedures at the facility?



- |   | <u>YES</u> | <u>NO</u> | <u>DON'T<br/>KNOW</u> |
|---|------------|-----------|-----------------------|
| - an internal communications or alarm system?   | <u>X</u>   | —         | —                     |
| - a telephone or other device to summon emergency assistance from local authorities?                                    | <u>X</u>   | —         | —                     |
| - portable fire equipment?  | <u>X</u>   | —         | —                     |
| - adequate aisle space?   | <u>X</u>   | —         | —                     |
| - in your opinion, do the types of wastes on site require all of the above procedures, or are some not needed? Explain. | <u>X</u>   | —         | —                     |

In your opinion, do the types of wastes on site require all of the above procedures, or are some not needed? Explain.

- \* (8) Have you inspected to verify that the groundwater monitoring wells (if any) mentioned in the facility's groundwater monitoring plan (see no. 19 below) are properly installed?

— — —  
— — —

If you have, please comment, as appropriate.

- (9) a. Is there any reason to believe that groundwater contamination already exists from this facility? If "YES", explain.

— — —

- b. Do you believe that operation of this facility may affect groundwater quality?

— — —

- c. If "YES", explain.

*Sampling of the storm drains done during working hours After heavy rains.*

RECORDS INSPECTION

- (10) Has the facility received hazardous waste from an off-site source since Nov. 19, 1980 (effective date of the regulations)?

X — —

- a. If "YES", does it appear that the facility has a copy of a manifest for each hazardous waste

YES NO KNOW

- the generator's name, mailing address, telephone number, and EPA identification number

X — —

- the name, and EPA identification number of each transporter

X — —

- the name, address and EPA identification number of the designated facility and an alternate facility, if any;

X — —

- a DOT description of the wastes

X — —

- the total quantity of each hazardous waste by units of weight or volume, and the type and number of containers as loaded into or onto the transport vehicle

X — —

- a certification that the materials are properly classified, described, packaged, marked, and labeled, and are in proper condition for transportation under regulations of the Department of Transportation and the EPA

X — —

d. Are there any indications that unmanifested hazardous wastes have been received since November 19, 1980? If YES, explain.

X — —

(11) Does the facility have a written waste analysis plan specifying test methods, sampling methods and sampling frequency? (§265.13)

X — —

a. Does the character of wastes handled at the facility change from day to day, week to week, etc., thus requiring frequent testing?  
(You may check more than one)

Waste characteristics vary X

All wastes are basically the same

Company treats all waste as hazardous X

Don't Know

b. Does hazardous waste come to this facility from off-site sources?

X — —

c. If waste comes from an off-site source, are there procedures in the plan to insure that wastes received conform to the accompanying manifest?

X — —

(12) INSPECTIONS (§265.15)

*substituted for Discrepancy Report*

Does the facility have a written inspection

(13) PERSONNEL TRAINING (\$265.16)

a. Is there written documentation of the following:

- job title for each position at the facility related to hazardous waste management and the name of the employee filling each job? X — —
- type and amount of training to be given to personnel in jobs related to hazardous waste management? X — —
- actual training or experience received by personnel? X — —

(14) Does the facility have a written contingency plan for emergency procedures designed to deal with fires, explosion or any unplanned release of hazardous waste?  
(\$265.51)

- a. Does the plan describe arrangements made with local authorities? X — —
- b. Has the contingency plan been submitted to local authorities? X — —  
How do you know?
- c. Does the plan list names, addresses, and phone numbers of Emergency Coordinators? X — —
- d. Does the plan have a list of what emergency equipment is available? X — —
- e. Is there a provision for evacuating facility personnel? X — —
- f. Was an Emergency Coordinator present or on call at the time of the inspection? X — —

(15) Does the owner/operator keep a written operating record with: (\$265.73)

- a description of wastes received with methods and dates of treatment, storage or disposal? X — —
- location and quantity of each waste? X — —
- detailed records and results of waste analysis and treatability tests performed on wastes coming into the facility? X — —



# SITE-SPECIFIC

Please circle all appropriate activities and answer questions on indicated pages for all activities circled. When you submit your report, include only those site-specific pages that you have used.

## STORAGE

Waste Pile p. 9

Surface Impoundment p. 8

*Roll off* Containers p. 7

Tank, above ground p. 8

Tank, below ground p. 8

Other \_\_\_\_\_

## TREATMENT

Tank p. 8

Surface Impoundment pp. 8-9

Incineration pp. 12-13

Thermal Treatment pp. 12-13

Land Treatment pp. 9-10

Chemical, Physical p. 13  
and Biological  
Treatment (other than  
in tanks, surface impound-  
ment or land treatment  
facilities)

Other \_\_\_\_\_

## DISPOSAL

Landfill pp. 10-11

Land Treatment  
pp. 9, 10

Surface Impound-  
ment p. 8

Other \_\_\_\_\_

YES NO DON'T  
KNOW

## CONTAINERS (\$265.170)

1. Are there any leaking containers?  
If "YES", explain.

*I noted no leaking Roll off containers on site*

2. Are there any containers which appear in danger  
of leaking?  
If "YES", explain.

3. Do wastes appear compatible with container  
materials?

4. Are all containers closed except those in use?

5. Do containers appear to be opened, handled  
or stored in a manner which may rupture the  
containers or cause them to leak?

6. How often does the plant manager claim to inspect  
container storage areas?

*Roll off as soon as they come into  
the yard*

- an estimate of the maximum inventory of wastes in storage or treatment at any time during the life of the facility?

X \_ \_

- a description of the steps necessary to decontaminate facility equipment during closure?

X \_ \_

- a schedule for final closure including the anticipated date when wastes will no longer be received and when final closure will be completed?

X \_ \_

b. What is the anticipated date for final closure?

FINAL closure will be X authorized when contacting the EPA 180 days prior to closing

tc. Does the owner/operator have a written post-closure plan identifying the activities which will be carried on after closure and the frequency of these activities?

\_ \_ \_

d. Does the written post-closure plan include:

- a description of planned groundwater monitoring activities and their frequencies during post-closure?

\_ \_ \_

- a description of planned maintenance activities and frequencies to ensure integrity of final cover during post-closure?

\_ \_ \_

- the name, address and phone number of a person or office to contact during post-closure?

\_ \_ \_

N/A

\*(17) Does the owner/operator have a written estimate of the cost of closing the facility? (\$265.142) What is it?

12, 757.00

X \_ \_

\*(18) Does the owner/operator have a written estimate of the cost for post-closure monitoring and maintenance? What is it? (\$265.144)

\_ \_ \_

\_ \_ \_

\*(19) Has a groundwater monitoring plan been submitted to the Regional Administrator for facilities containing a surface impoundment, landfill or land treatment process? (This requirement does not apply to recycling facilities.) (\$265.90)

N/A

a. Does the plan indicate that at least one monitoring well has been installed hydraulically upgradient from the limit of the waste management area?

\_ \_ \_

b. Does the plan indicate that there are at least three

- |   | <u>TANKS (\$265.190)</u> | <u>YES</u> | <u>NO</u> | <u>DON'T<br/>KNOW</u> |
|---|--------------------------|------------|-----------|-----------------------|
| 1. Are there any leaking tanks?<br>If "YES", explain.   |                          | —          | —         | —                     |
| 2. Are there any tanks which appear in danger of<br>leaking.<br>If "YES", explain.  |                          | —          | —         | —                     |
| 3. Are wastes or treatment reagents being<br>placed in tanks which could cause them to<br>rupture, leak, corrode or otherwise fail?<br>If "YES", explain. |                          | —          | —         | —                     |
| 4. Do uncovered tanks have at least 2 feet<br>of freeboard or an adequate containment<br>structure?   |                          | —          | —         | —                     |
| 5. Where hazardous waste is continuously<br>fed into a tank, is the tank equipped with<br>a means to stop this inflow?                                    |                          | —          | —         | —                     |
| 6. Does it appear that incompatible wastes<br>are being stored in close proximity to one<br>another, or in the same tank?<br>If "YES", explain.           |                          | —          | —         | —                     |
| 7. How often does the plant manager claim to<br>inspect container storage areas?  |                          |            |           |                       |
| 8. Are ignitable or reactive wastes stored in<br>a manner which protects them from a source<br>of ignition or reaction?<br>If "YES", explain.             |                          | —          | —         | —                     |
| 9. What is the approximate number and size of<br>tanks containing hazardous wastes?   |                          |            |           |                       |

SURFACE IMPOUNDMENTS (\$265.220)

- |  |   |   |   |
|--|---|---|---|
| 1. Is there at least 2 feet of freeboard<br>in the impoundment?                            | — | — | — |
| 2. Do all earthen dikes have a protective<br>cover to preserve their structural integrity? |   |   |   |

4. Are ignitable or reactive wastes being placed in surface impoundments without being treated to remove these characteristics?

If "YES", explain.

5. Are there any leaks, failures or is there any deterioration in the impoundments?

If "YES", explain.

6. Give the approximate size of surface impoundments (gallons or cubic feet).

WASTE PILES (\$265.250)

1. Is the waste pile protected from wind erosion?

a. Does it appear to need such protection?

b. Explain what type of protection exists.

2. Does it appear that incompatible wastes are being stored in the same waste pile?  
If "YES", explain.

3. Is leachate run-off from a pile a hazardous waste?

If "YES", explain this determination and answer (a) and (b) below.

a. Is the pile placed on an impermeable base that is compatible with the waste?

b. Is the pile protected from precipitation and run-on?

4. In your judgment, are ignitable or reactive wastes managed in such a way that they are protected from any material or conditions which may cause them to ignite?  
Please explain or indicate if no such wastes are present.

Are they placed on an existing pile so that they no longer meet the definition of ignitable or reactive waste?  
Please explain.



- |     |  |       |       |       |
|-----|--|-------|-------|-------|
| *2. | Is run-on diverted away from the active portions of the land treatment facility?   | _____ | _____ | _____ |
| *3. | Is run-off collected?  | _____ | _____ | _____ |
| 4.  | Are food chain crops being grown on the facility property?   | _____ | _____ | _____ |
| a.  | If "YES", can the facility operator document that arsenic, lead and mercury:   |       |       |       |
| -   | will not be transferred to the crop or ingested by food chain animals or   | _____ | _____ | _____ |
| -   | will not occur in greater concentrations in the crops grown on the land treatment facility than in the same crops grown on untreated soils.      | _____ | _____ | _____ |
| b.  | Has notification of the growing of the food chain crops been made to the Regional Administrator?   | _____ | _____ | _____ |
| 5.  | Is there a written and implemented plan for unsaturated zone monitoring?   | _____ | _____ | _____ |
| 6.  | Are there records of the application dates, application rates, quantities and location of each hazardous waste placed in the facility?           | _____ | _____ | _____ |
| 7.  | Do the closure and post-closure plans address:   |       |       |       |
| a.  | control of migration of hazardous wastes into the groundwater?   | _____ | _____ | _____ |
| b.  | control of run-off, release of airborne particulate contaminants?  | _____ | _____ | _____ |
| c.  | compliance with requirements for the growth of food-chain crops (if they are present)?   | _____ | _____ | _____ |
| 8.  | Is ignitable or reactive waste immediately incorporated into the soil so the resulting waste no longer meets that definition? If "YES", explain. | _____ | _____ | _____ |
| 9.  | Are incompatible wastes placed in the same land treatment area? If "YES", explain.   | _____ | _____ | _____ |
| 10. | What is the area of the land receiving hazardous waste treatment?  |       |       |       |



- |  |   |   |   |
|--|---|---|---|
| 3. Is waste which is subject to wind dispersal controlled?<br>Explain.   | — | — | — |
|  |   |   |   |
| 4. Does the owner/operator maintain a map with:  |   |   |   |
| - the exact location and dimensions of each cell   | — | — | — |
| - the contents of each cell and approximate location of each hazardous waste type  | — | — | — |
|  |   |   |   |
| 5. Do the closure and post-closure plans address:  |   |   |   |
| - control of pollutant migration via ground water?   | — | — | — |
| - control of surface water infiltration?   | — | — | — |
| - prevention of erosion?   | — | — | — |
|  |   |   |   |
| 6. Is ignitable or reactive waste treated before being placed in the landfill?<br>Explain how you know.                    | — | — | — |
|  |   |   |   |
| 7. Are precautions taken to insure that incompatible wastes are not placed in the same landfill cell?<br>If "NO", explain. | — | — | — |
|  |   |   |   |
| 8. Are bulk or non-containerized wastes containing free liquids placed in the landfill?<br>If "YES",                       | — | — | — |
| a. Does the landfill have a liner which is chemically and physically resistant to the added liquid?                        | — | — | — |
| b. Is the waste treated and stabilized so that free liquids are no longer present?   | — | — | — |
|  |   |   |   |
| *9. Are containers holding liquid waste or waste containing free liquids placed in the landfill?                           | — | — | — |
|  |   |   |   |
| 10. Are empty containers (e.g. those containing less than 1/2 inch of liquid) placed in the landfills?                     | — | — | — |

3. Is waste which is subject to wind dispersal controlled?  
Explain. \_\_\_\_\_
4. Does the owner/operator maintain a map with:
- the exact location and dimensions of each cell \_\_\_\_\_
  - the contents of each cell and approximate location of each hazardous waste type \_\_\_\_\_
5. Do the closure and post-closure plans address:
- control of pollutant migration via ground water? \_\_\_\_\_
  - control of surface water infiltration? \_\_\_\_\_
  - prevention of erosion? \_\_\_\_\_
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Explain how you know. \_\_\_\_\_
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If "NO", explain. \_\_\_\_\_
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10. Are empty containers (e.g. those containing less than 1/2 inch of liquid) placed in the landfills? \_\_\_\_\_

INCINERATORS AND THERMAL TREATMENT  
(§§265.340 and 265.379)

YES    NO    DON'T  
KNOW

1. What type of incinerator or thermal treatment is at the site (e.g. waterwall incinerator, boiler, fluidized bed, etc.)?

2. Was hazardous waste being incinerated or thermally treated during your inspection?  
If "YES", answer all following questions.  
If "NO", answer only questions 3 and 7.

3. Has waste analysis been performed (and written records kept) to include:

- heating value of the waste
- halogen content
- sulfur content
- concentration of lead
- concentration of mercury

NOTE: Waste analysis need not be performed on each waste load if if there are documented data available to show waste characteristics that do not vary. If there are such documented data available, check here       .

4. Does it appear that the owner/operator brings his thermal treatment process to steady state (normal) conditions of operation before introducing hazardous wastes?

5. Did it appear during your inspection that there was adequate monitoring and inspection by owner/operator every 15 minutes during hazardous waste incineration for:

- waste feed
- auxiliary fuel feed
- air flow
- incinerator temperature
- scrubber flow
- scrubber pH

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- scrubber flow





*This is in place of the inspection log  
since only roll off containers are dealt with*  
WASTE DISCREPANCY REPORT

Manifest # \_\_\_\_\_

BFI Waste Code # \_\_\_\_\_

Shipment Arrival Date \_\_\_\_\_

Sales Initiator \_\_\_\_\_

Time \_\_\_\_\_

Waste Description \_\_\_\_\_

Container Type \_\_\_\_\_

Volume \_\_\_\_\_

Generator \_\_\_\_\_

Hauler \_\_\_\_\_

Facility \_\_\_\_\_

Contact \_\_\_\_\_

Contact \_\_\_\_\_

Contact \_\_\_\_\_

Phone \_\_\_\_\_

Phone \_\_\_\_\_

Phone \_\_\_\_\_

Discrepancy

Action Taken

Accepted \_\_\_\_\_

Date \_\_\_\_\_

Rejected \_\_\_\_\_

Time \_\_\_\_\_